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 March 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 small business issuer 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)

(801) 975-7200
(Issuer's telephone number)

(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 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	May 15, 2000
$0.001 par value	8,372,038 shares

Transitional Small Business Disclosure Format (check one)

[ ] Yes [X] No

GENTNER COMMUNICATIONS CORPORATION

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GENTNER COMMUNICATIONS CORPORATION

BALANCE SHEETS

	(Unaudited) March 31, 2000	(Audited) June 30, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,372,790	$ 3,922,183
Accounts receivable, net	3,620,967	2,242,294
Inventory	3,459,214	2,858,835
Deferred taxes	115,000	115,000
Other current assets	347,482	143,441
Total current assets	12,915,453	9,281,753
Property and equipment, net	2,572,657	2,125,959
Other assets, net	62,484	111,702
Total assets	$15,550,594	$11,519,414
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 747,493	$ 725,193
Accrued compensation and other benefits	726,975	762,345
Accrued income tax	378,087	229,087
Other accrued expenses	935,186	562,187
Current portion of capital lease obligations	244,190	215,854
Total current liabilities	3,031,931	2,494,666
Capital lease obligations	267,349	455,389
Deferred tax liability	217,000	217,000
Total liabilities	3,516,280	3,167,055
Shareholders' equity:		
Common stock, 50,000,000 shares authorized, par value $.001, 8,361,880 and 8,129,691 shares issued and outstanding at March 31, 2000 and June 30, 1999	8,362	8,130
Additional paid-in capital	5,334,164	5,024,858
Retained earnings	6,691,788	3,319,371
Total shareholders' equity	12,034,314	8,352,359
Total liabilities and shareholders' equity	$15,550,594	$11,519,414

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

STATEMENTS OF INCOME

	(Unaudited) Three Months Ended March 31, 2000	1999
Product sales	$ 6,161,804	$ 4,996,200
Service sales	1,705,629	822,951
Total net sales	7,867,433	5,819,151
Cost of goods sold - products	2,152,928	1,895,810
Cost of goods sold - services	751,526	541,433
Total cost of goods sold	2,904,454	2,437,243
Gross profit	4,962,979	3,381,908
Operating Expenses:		
Marketing and selling	1,808,549	1,290,077
General and administrative	779,953	723,669
Product development	436,582	375,850
Total operating expenses	3,025,084	2,389,596
Operating income	1,937,895	992,312
Other income (expense):		
Interest income	59,355	21,490
Interest expense	(15,689)	(37,077)
Other, net	(2,576)	(9,696)
Total other income (expense)	41,090	(25,283)
Income before income taxes	1,978,985	967,029
Provision for income taxes	738,730	360,700
Net income	$ 1,240,255	$ 606,329
Basic earnings per common share	$ 0.15	$ 0.07
Diluted earnings per common share	$ 0.14	$ 0.07

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

STATEMENTS OF INCOME

	(Unaudited) Nine Months Ended March 31, 2000	1999
Product sales	$ 18,284,087	$ 14,189,873
Service sales	4,083,458	2,380,696
Total net sales	22,367,545	16,570,569
Cost of goods sold - products	6,516,618	5,553,051
Cost of goods sold - services	2,062,123	1,763,717
Total cost of goods sold	8,578,741	7,316,768
Gross profit	13,788,804	9,253,801
Operating Expenses:		
Marketing and selling	4,845,321	3,509,366
General and administrative	2,276,966	1,912,388
Product development	1,393,170	1,146,785
Total operating expenses	8,515,457	6,568,539
Operating income	5,273,347	2,685,262
Other income (expense):		
Interest income	160,484	65,926
Interest expense	(51,650)	(127,367)
Other, net	(4,034)	(14,913)
Total other income (expense)	104,800	(76,354)
Income before income taxes	5,378,147	2,608,908
Provision for income taxes	2,005,730	976,700
Net income	$_3,372,417	$ 1,632,208
Basic earnings per common share	$ 0.41	$ 0.20
Diluted earnings per common share	$ 0.39	$ 0.19

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

STATEMENTS OF CASH FLOWS

	(Unaudited) Nine Months Ended March 31, 2000	1999
Cash flows from operating activities:		
Net income	$ 3,372,417	$ 1,632,208
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	559,742	535,633
Amortization of other assets	18,224	16,374
Changes in operating assets and liabilities:		
Accounts receivable	(1,378,673)	(997,450)
Inventory	(600,379)	277,876
Other current assets	(204,041)	(56,495)
Accounts payable and other accrued expenses	508,929	937,278
Net cash provided by operating activities	2,276,219	2,345,424
Cash flows from investing activities:		
Purchases of property and equipment	(1,006,440)	(413,265)
Repayment of note receivable	30,994	17,459
Decrease in other assets	0	1,752
Net cash used in investing activities	(975,446)	(394,054)
Cash flows from financing activities:		
Proceeds from issuance of common stock	23,820	2,902
Exercise of employee stock options	285,718	318,050
Principal payments of capital lease obligations	(159,704)	(166,115)
Principal payments of long-term debt	0	(688,214)
Net cash provided by (used in) financing activities	149,834	(533,377)
Net increase in cash	1,450,607	1,417,993
Cash at the beginning of the year	3,922,183	715,325
Cash at the end of the period	$ 5,372,790	$ 2,133,218
Supplemental disclosure of cash flow information:		
Income taxes paid	$(1,856,000)	$ (708,593)
Interest paid	$ (51,650)	$ (129,857)

See accompanying notes

GENTNER COMMUNICATIONS CORPORATION

NOTES TO FINANCIAL STATEMENTS
March 31, 2000
(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 tables set forth the computation of basic and diluted net income per share:

	Three months ended March 31, 2000	Three months ended March 31, 1999
Numerator:		
Net income	$1,240,255	$ 606,329
Denominator:		
Denominator for basic net income per share - weighted average shares	8,300,841	8,123,953
Effect of dilutive securities using treasury stock method	554,964	418,191
	8,855,805	8,542,144
Net income per share - basic	$ 0.15	$ 0.07
Net income per share - dilutive	$ 0.14	$ 0.07

	Nine months ended March 31, 2000	Nine months ended March 31, 1999
Numerator:		
Net income	$3,372,417	$ 1,632,208
Denominator:		
Denominator for basic net income per share - weighted average shares	8,230,546	8,064,981
Effect of dilutive securities using treasury stock method	502,735	319,380
	8,733,281	8,384,361
Net income per share - basic	$ 0.41	$ 0.20
Net income per share - dilutive	$ 0.39	$ 0.19

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 nine-month periods ended March 31, 2000 and 1999 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) March 31, 2000	(Audited) June 30, 1999
Raw Materials	$ 1,507,356	$ 1,055,615
Work in progress	439,747	347,898
Finished Goods	1,512,111	1,455,322
Total inventory	$ 3,459,214	$ 2,858,835

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
Options expired & canceled	(142,500)	2.42
Options exercised	(34,900)	1.95
Options granted	224,500	12.42
Options outstanding as of December 31, 1999...	1,386,398	$ 3.81
Options expired & canceled	(62,000)	6.04
Options exercised	(132,350)	1.24
Options granted	19,500	19.63
Options outstanding as of March 31, 2000	1,211,548	$ 4.24

7. Segment Reporting

The Company has changed how it evaluates its operations internally resulting in a change in its segments from its Form 10-KSB. 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 operates in four different segments - Remote Facilities Management (RFM)/Broadcast, Conferencing Products, Conferencing Services and Other. The RFM/Broadcast segment consists of 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 and document conferencing services.

As the Company continues to evaluate its internal reporting, the Company has further clarified the breakdown of its operations resulting in a change in the way certain revenues and expenses are reported in the second and third quarters as compared to the first quarter. All periods presented have been restated to reflect these changes.

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 satisfy different customer needs. They are managed separately because each segment requires focus and attention on its market and distribution channel.

The following tables summarize the segment information:

	RFM/Broadcast	Conferencing Products	Conferencing Services	All Other	Company Totals
Quarter Ended March 31, 2000:					
Net sales	$ 1,802,155	$ 4,340,422	$ 1,667,139	$ 57,717	$ 7,867,433
Cost of goods sold	661,195	1,490,867	730,854	21,538	2,904,454
Gross profit	1,140,960	2,849,555	936,285	36,179	4,962,979
Marketing and selling	261,973	1,032,111	514,472	(7)	1,808,549
General and administrative					779,953
Product development	154,816	281,766			436,582
Total operating expenses					3,025,084
Operating profit					1,937,895
Other income (expense)					41,090
Income before income taxes					1,978,985
Provision for income taxes					(738,730)
Net income					$ 1,240,255
Quarter Ended March 31, 1999:					
Net sales	$ 1,843,548	$ 3,107,320	$ 797,320	$ 70,963	$ 5,819,151
Cost of goods sold	714,246	1,143,900	528,533	50,564	2,437,243
Gross profit	1,129,302	1,963,420	268,787	20,399	3,381,908
Marketing and selling	266,744	798,407	223,161	1,765	1,290,077
General and administrative					723,669
Product development	147,655	219,220		8,975	375,850
Total operating expenses					2,389,596
Operating profit					992,312
Other income (expense)					(25,283)
Income before income taxes					967,029
Provision for income taxes					(360,700)
Net income					$ 606,329

7. Segment Reporting - (continued)

	RFM/Broadcast	Conferencing Products	Conferencing Services	All Other	Company Totals
Year-to-Date At March 31, 2000:					
Net sales	$ 5,660,327	$12,517,171	$ 3,921,480	$ 268,567	$ 22,367,545
Cost of goods sold	2,185,096	4,295,674	2,003,204	94,767	8,578,741
Gross profit	3,475,231	8,221,497	1,918,276	173,800	13,788,804
Marketing and selling	904,835	2,729,298	1,208,604	2,584	4,845,321
General and administrative					2,276,966
Product development	664,488	728,682			1,393,170
Total operating expenses					8,515,457
Operating profit					5,273,347
Other income (expense)					104,800
Income before income taxes					5,378,147
Provision for income taxes					(2,005,730)
Net income					$ 3,372,417
Year-to-Date At March 31, 1999:					
Net sales	$ 5,235,620	$ 8,729,134	$ 2,252,652	$ 353,163	$ 16,570,569
Cost of goods sold	2,117,870	3,338,619	1,703,688	156,591	7,316,768
Gross profit	3,117,750	5,390,515	548,964	196,572	9,253,801
Marketing and selling	852,278	1,987,504	663,331	6,254	3,509,367
General and administrative					1,912,387
Product development	339,052	789,844		17,889	1,146,785
Total operating expenses					6,568,539
Operating profit					2,685,262
Other income (expense)					(76,354)
Income before income taxes					2,608,908
Provision for income taxes					(976,700)
Net income					$1,632,208

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

Results of Operations

The Company reports four different segments - Remote Facilities Management (RFM)/Broadcast, Conferencing Products, Conferencing Services and Other. Total sales for the three months ended March 31, 2000 increased 35% from $5,819,151 to $7,867,433 compared to the same three-month period last year. Total sales for the nine months ended March 31, 2000 increased 35% from $16,570,569 to $22,367,545 compared to the same nine-month period last year. In both cases, growth is primarily due to increased Conferencing Products and Conferencing Services sales.

Conferencing products experienced a 40% sales growth comparing the third quarter of this fiscal year to the same quarter last year from $3,107,320 to $4,340,422. Sales in conferencing products increased 43% comparing the first nine months of this fiscal year to the first nine months of last fiscal year from $8,729,134 to $12,517,171. This increase was mainly due to the continued success of the Audio PerfectTM product line, as well as the introduction of new products, including the APV200 IP and the GT1524. The Audio PerfectTM 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 flagship AP800 and the 4-channel AP400 products use advanced digital signal processing technology to achieve the highest quality echo cancellation on the market, Gentner's Distributed Echo CancellationTM, and incorporate several functional devices including automatic microphone mixing, echo cancellation, audio routing, audio equalization and audio processing into a single device. The Company has realized more of the revenue associated with a room installation as a result of the expanded applications. During the third quarter, the Company started shipping the PA870 power amplifier. In addition, Gentner provides Assistive Listening Devices, both for applications in venues that require extra amplification for the hearing impaired, and its Venture line, which operates on a frequency appropriate for other applications, such as tours and language translation.

Conferencing services, 1-800 LETS MEET(R), experienced sales growth of 109% in the third quarter of this fiscal year as compared to the third quarter of last fiscal year. Revenues for the third quarter of fiscal 2000 were $1,667,189 compared to $797,320 for third quarter of fiscal 1999. Conferencing services increased 74% for this fiscal year-to-date as compared to the same period in fiscal 1999. Revenues for fiscal 2000 year-to-date were $3,921,480 compared to $2,252,652 for fiscal 1999 year-to-date. 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, and the Company's commitment to quality 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/Broadcast sales decreased 2% to $1,802,155 from $1,843,548 in the third quarter of this fiscal year compared to the third quarter 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 1% during the third quarter of this year compared to the third quarter of last year, primarily due to the fact that market growth has become flat and the product market has become primarily a replacement market. Telephone hybrids are used to connect telephone line audio to professional audio equipment. RFM decreased 5%, comparing third quarters, mainly due to fewer sales of the GSC3000. GSC revenue last year was driven by requirements by the FCC for the top 30 markets across the country to have the HDTV infrastructure installed. Those sales trends were expected to continue into the smaller markets as well, however, the FCC postponed the required installation of HDTV in the remaining markets until 2002. The GSC3000 allows broadcasters to monitor and control many transmitter sites from one location.

RFM/Broadcast sales increased 8% to $5,660,327 up from $5,235,620 for the nine months ended March 31, 2000 compared to the nine months ended March 31, 1999. Sales of the Telephone Interface line increased 9% comparing fiscal 2000 year-to-date over fiscal 1999 year-to-date. Remote Facilities Management increased 7%, comparing year-to-date, mainly due to sales of the GSC3000 which were strong enough in the first quarter to offset any decline in the second and third quarters as discussed above. Sales to the OEM, television and international markets contributed to the increased sales of the GSC3000. New 32-bit software that enhances the features and functionality of the GSC3000 is currently in beta testing and shipping is anticipated to begin in June. This new software will allow for custom GUI screen design, custom reporting, TCPIP connectivity, and faster alarm reporting. Gentner will also be shipping the VRC2500, a smaller version of the GSC3000 designed for the small TV or radio stations that only require 16 or fewer channels for monitoring various station functions. The GSC3000 is designed to monitor up to 256 channels.

Results of Operations - (continued)

Other sales decreased 19% in the third quarter of this fiscal year compared to the third quarter of last fiscal year, and decreased 24% for the nine months ending March 31, 2000 compared to the same period in 1999. Sales for the third quarter of fiscal 2000 were $57,717 compared to $70,963 for the third quarter of fiscal 1999. Sales for fiscal 2000 year-to-date were $268,567 compared to $353,164 for fiscal 1999 year-to-date. 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 63% for the third quarter of this year, and 58% for the same quarter last year. The Company's gross profit margin percentage was 62% for the first nine months of this year, compared to 56% for the same period last year. This increase was primarily due to improved margins in conferencing services, improved manufacturing processes, new products with higher gross profit margins, and a different product mix. The Company's overall gross profit margin would be negatively impacted if the price of raw components increases.

Operating expenses for the quarter increased 27% when comparing the third quarters of this fiscal year and last fiscal year. Operating expenses for the year-to-date increased 30% over last year. The most significant portion of these increases came in marketing and selling expenses.

Marketing and selling expenses increased 40% for the third quarter as compared to last year. Marketing and selling expenses increased 38% for the year-to-date as compared to last year-to-date. The increase was primarily due to higher commission expense resulting from the increase in sales. Also contributing to the increase was higher salary expenses connected to the hiring of additional marketing and selling personnel.

Product Development expenses increased 16% in the third quarter of this year compared to last year. Product Development expenses increased 21% for the year-to-date as compared to the same period last year. The increase was due to development expenses for new products and the hiring of personnel and associated recruiting costs. The Company anticipates these expenses will enhance future revenue growth.

Third quarter General and Administrative expenses increased 8% compared to the same period last year. Year-to-date expenses increased 19% as compared to the same period last year. This increase was mainly due to hiring of personnel to support sales increases and the infrastructure costs associated with the hiring of such new personnel. Also contributing to this increase was the expense associated with the NASDAQ National Market Listing fees.

Interest expense for the third quarter is down 58% compared to the same quarter last year. Interest expense for the year-to-date is down 59% compared to 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 third 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 $738,730 for the third quarter and $2,005,730 for the year-to-date. Income tax expense was $360,700 for the third quarter of fiscal 1999 and $976,700 for fiscal 1999 year-to-date, with a calculated combined tax rate of about 37%.

Financial Condition and Liquidity

The Company's current ratio increased from 3.72:1 on June 30, 1999 to 4.26:1 on March 31, 2000. This increase in the current ratio was due primarily to an increase in the amount of cash on hand, an increase in accounts receivable due to increased sales, and an increase in inventory. Offsetting the increase in the current ratio was an increase in accrued expenses, particulartly in federal and state income taxes and other accrued operating expenses.

The Company continued to experience positive operating cash flows. Increasing sales and profitability have contributed to positive operating cash flows which were offset by an increase in accounts receivable, inventory and purchases of property and equipment.

Results of Operations - (continued)

The Company believes that most of the key components required for the production of its products are currently available in sufficient quantities, although lead times and prices have been increasing. Thirty-five percent of the raw materials currently needed require lead times of eight weeks or longer. The Company has purchased more of these "longer lead time" parts to ensure continued delivery of products thereby increasing overall inventory.

During the second and third quarters, the Company conducted a physical inventory of fixed assets. It was noted there were many fully depreciated assets still on the books, that had been disposed of physically. In reconciling the books to the physical fixed assets list, the Company wrote off gross fixed assets of $1,042,366 and wrote off accumulated depreciation of $1,038,234 during the third quarter.

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 March 31, 2000. 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 and Risk Factors

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 belief that new 32-bit software is currently in beta testing and shipping is anticipated to begin in June, the Company's anticipation that it will ship the VRC2500 in September, the Company's expectation that it will achieve its business plan through a combination of internally generated funds and short-term or long-term borrowings and the Company's belief it must establish distribution channels and direct selling efforts in markets where it perceives a growing need for the Company's products and services. 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."

Factors that May Affect Future Results

Competition - Rapid Technological Change

The RFM, 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. The Company competes with businesses having substantially greater 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.

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.

Factors that May Affect Future Results - (continued)

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. 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 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 direct. The loss of representatives or dealers could have a material adverse effect on the Company's business.

Limited Capitalization

As of March 31, 2000, the Company had $5,372,790 in cash and $9,883,522 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 March 31, 2000. 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, President and Chief Executive Officer and a director and 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.

Factors that May Affect Future Results - (continued)

Dependence on Supplier and Single Source of Supply

The Company has no written agreements 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.

Although the Company believes that most of the key components required for the production of its products are currently available in sufficient quantities, lead times and prices have been increasing. Thirty-five percent of the raw materials needed currently require lead times of eight weeks or longer. The Company has purchased more of these "longer lead time" parts to ensure continued delivery of products thereby increasing overall inventory. 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.

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 equipment 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. As of March 31, 2000, the Plans have 1,211,548 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.

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 25.7% of the Common Stock of the Company (including options that are currently exercisable or exercisable within sixty (60) days) as of March 31, 2000. This significant holding in the aggregate places the officers and directors in a position, when acting together, to effectively control the Company (see "Security Ownership of Certain Beneficial Owners and Management" in the Company's Form 10-KSB for the fiscal year ended June 30, 1999, incorporated herein by reference).

Collectability of Outstanding Receivables

The Company grants credit without requiring collateral to substantially all of its customers and thus the possibility of a large percentage of customers defaulting exists. The current default rate is approximately 0.24%.

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) (Page7)
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 1,2,3	1998 Stock Option Plan and Form of Grant (Page 42)
10.2 1,2	Modification Agreement dated as of December 24, 1997, between First Security Bank, N.A. and the Company (Page 66)

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

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

GENTNER COMMUNICATIONS CORPORATION

(Registrant)

Date: May 15, 2000

/s/ Susie Strohm

Susie Strohm
Vice President, Finance
(Duly Authorized Officer and Principal
Financial and Accounting Officer)

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FINANCIAL DATA SCHEDULE

9-MOS
JUN-30-2000
MAR-31-2000
$5,372,790
0
$3,921,039
$(304,762)
$3,459,214
$12,910,763
$5,572,741
$(3,000,084)
$15,545,904
$3,053,125
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0
0
$8,362
$12,025,952
$15,545,904
$22,367,545
$22,367,545
$8,578,741
$13,788,804
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$51,650
$5,378,147
$2,005,730
$3,372,417
0
0
0
$3,372,417
0.41
0.39