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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 Fiscal Quarter Ended March 31, 2000

or

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

GLASSTECH, INC.

(Exact name of registrant as specified in its charter)

Delaware	33-32185-01	13-3440225
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(IRS Employer Identification No.)

Ampoint Industrial Park, 995 Fourth Street, Perrysburg, Ohio	43551
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (419)-661-9500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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. Yes [X] No [ ]

The number of shares of common stock, $.01 par value, outstanding as of May 5, 2000 was 1,000.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The condensed consolidated financial statements presented herein are unaudited but, in the opinion of management, reflect all adjustments necessary to present fairly such information for the periods and at the dates indicated. Since the following condensed unaudited financial statements have been prepared in accordance with Article 10 of Regulation S-X, they do not contain all information and footnotes normally contained in annual consolidated financial statements. Accordingly they should be read in conjunction with the Consolidated Financial Statements and notes thereto appearing in the Annual Report on Form 10-K for the fiscal year ended June 30, 1999, as filed with the Securities and Exchange Commission on September 23, 1999. The interim results of operations are not necessarily indicative of results for the entire year.

GLASSTECH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

	March 31, 2000	June 30, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 4,011	$ 8,661
Accounts receivable:		
Contracts:		
Uncompleted, including unbilled amounts of $2,869 and $1,430	5,788	3,602
Completed	1,678	459
Trade, less allowance of $40 for doubtful accounts	1,267	1,469
	8,733	5,530
Inventory:		
Replacement and service parts	1,781	1,999
Furnace contracts and other	694	1,368
	2,475	3,367
Prepaid expenses	338	350
Total current assets	15,557	17,908
Property, plant and equipment, net	5,844	6,789
Other assets:		
Patents, less accumulated amortization of $4,749 and $3,454	13,533	14,829
Goodwill, less accumulated amortization of $7,032 and $5,145	43,394	45,280
Deferred financing costs and other	3,366	3,856
Total other assets	60,293	63,965
	$ 81,694	$88,662
Liabilities and shareholder’s equity		
Current liabilities:		
Accounts payable	$ 2,480	$ 1,710
Billings in excess of costs and estimated earnings on uncompleted contracts	3,651	3,250
Accrued liabilities:		
Interest	2,231	4,462
Salaries and wages	978	1,702
Contract costs	1,067	795
Other	894	1,094
	5,170	8,053
Total current liabilities	11,301	13,013
Long-term debt	69,545	69,464
Nonpension postretirement obligation	440	422
Shareholder’s equity:		
Common stock $.01 par value; 1,000 shares authorized, issued and outstanding	—	—
Additional capital	15,750	15,750
Shareholder’s basis reduction	(4,028)	(4,028)
Deficit	(11,314)	(5,959)
Total shareholder’s equity	408	5,763
	$ 81,694	$88,662

See accompanying notes.

GLASSTECH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2000	**1999**	**2000**	**1999**
Net revenue	$13,942	$11,291	$35,092	$41,550
Cost of goods sold	8,427	7,130	21,726	26,035
Gross profit	5,515	4,161	13,366	15,515
Selling, general and administrative expenses	2,047	1,951	5,680	6,761
Research and development expenses	904	781	2,752	2,663
Amortization expense	1,061	1,061	3,182	3,182
Operating profit	1,503	368	1,752	2,909
Interest expense	(2,417)	(2,417)	(7,251)	(7,251)
Other income – net	50	43	144	278
Net loss	$ (864)	$ (2,006)	$ (5,355)	$ (4,064)

See accompanying notes.

GLASSTECH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(Dollars in thousands)
(Unaudited)

	Common Stock					
	Shares	Amount	Additional Capital	Shareholder's Basis Reduction	Deficit	Total
Balance, June 30, 1998	1,000	$ –	$15,750	$(4,028)	$ 823	$12,545
Net loss					(6,782)	(6,782)
Balance, June 30, 1999	1,000	–	15,750	(4,028)	(5,959)	5,763
Net loss					(5,355)	(5,355)
Balance, March 31, 2000	1,000	$ –	$15,750	$(4,028)	$(11,314)	$ 408

See accompanying notes.

GLASSTECH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Nine months Ended March 31,	
	2000	**1999**
Operating activities		
Net loss	$(5,355)	$ (4,064)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,729	4,813
Nonpension postretirement benefit obligation expense in excess of payments	18	13
Accretion of debt discount	81	81
Changes in assets and liabilities affecting operations:		
Accounts receivable	(3,203)	485
Inventory	892	(951)
Prepaid expenses	12	(130)
Accounts payable	770	(2,336)
Billings in excess of costs and estimated earnings on uncompleted contracts	401	(2,260)
Accrued liabilities	(2,883)	(5,983)
Net cash used in operating activities	(4,538)	(10,332)
Investing activities		
Additions to property, plant and equipment	(129)	(10)
Other	—	(10)
Net cash used in investing activities	(129)	(20)
Financing activities		
Other	17	—
Net cash provided by financing activities	17	—
Decrease in cash and cash equivalents	(4,650)	(10,352)
Cash and cash equivalents at beginning of year	8,661	13,121
Cash and cash equivalents at end of period	$ 4,011	$ 2,769
Supplemental disclosure of cash flow information:		
Cash paid (received) during the period for the following:		
Interest	$ 4,463	$ 8,925
Income taxes	$ (21)	$ 21

See accompanying notes.

GLASSTECH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

1. Background and Basis of Presentation

Effective July 2, 1997, Glasstech, Inc. (the “Company”) was acquired by Glasstech Holding Co. (“Holding”) (the “Transaction”). In connection with the Transaction, Holding, a holding company formed for the purpose of completing the Transaction, formed a wholly owned subsidiary, Glasstech Sub Co. (“Sub Co.”) which acquired all of the outstanding stock of the Company. Subsequently, Sub Co. was merged into the Company. Holding conducts no significant activities other than managing its investment in the Company. The acquisition was accounted for under the purchase method of accounting for financial reporting purposes and the purchase price was allocated to the underlying net assets acquired. The Transaction resulted in the Company having substantial goodwill and increased debt.

In connection with accounting for the Transaction, the Company applied the provisions of Emerging Issues Task Force Issue 88-16 (EITF 88-16), whereby the carryover equity interests of certain shareholders from the “Predecessor Company” (the Company prior to the transaction) to the “Successor Company” (the Company subsequent to the Transaction) were recorded at their predecessor basis. As a result, shareholder’s equity of the Successor Company was reduced by $4,028 with a corresponding reduction to the value of goodwill acquired.

The condensed consolidated balance sheet as of June 30, 1999 has been derived from the audited consolidated financial statements at that date but, does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

2. Notes Payable and Long-Term Debt

In connection with the Transaction, the Company issued $70,000 of 12 3/4% Senior Notes due 2004 (the “Old Notes”) in a private offering exempt from registration under the Securities Act of 1933, as amended (the “1933 Act”). The offering of the Old Notes was also structured to permit resales under Rule 144A of the 1933 Act. In connection with the issuance of the Old Notes, the Company received from Holding warrants to purchase 877 shares of common stock of Holding valued at $750. These warrants were issued to the initial purchasers of the Old Notes. On December 2, 1997, the Company consummated an exchange offer (the “Exchange Offer”) of its $70,000 Series B 12 3/4% Senior Notes Due 2004 (the “New Notes”), which were registered under the 1933 Act, for the Old Notes. The terms of the New Notes are substantially identical to the terms of the Old Notes and as used herein, will be referred to as the “Senior Notes.” Interest on the Senior Notes is payable semi-annually on each January 1 and July 1 beginning January 1, 1998. The terms of the Senior Notes do not require any scheduled principal payments prior to maturity.

The Company also entered into a revolving credit facility (the “Credit Facility”) in connection with the Transaction. The Credit Facility provides for borrowings up to $10,000 (including standby letters of credit), subject to a borrowing base of certain qualifying assets, and provides for interest on outstanding borrowings at the LIBOR rate plus 2.5%, payable semi-annually. At March 31, 2000, the Company had no outstanding borrowings under the Credit Facility and the borrowing base approximated $7,100. The Credit Facility is available to fund working capital requirements as needed, secure standby letters of credit, which totaled $305 at March 31, 2000, and is secured by substantially all of the assets of the Company.

The Senior Notes and Credit Facility contain numerous financial and other covenants which include the maintenance of certain levels of earnings as defined, restrictions on the payment of dividends and additional indebtedness as well as other types of business activities and investments. The Company believes that it is in material compliance with all such covenants.

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

Forward-Looking Statements

Certain statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") section and the attached financial statements, in the Company's press releases and in oral statements made by or with the approval of an authorized executive officer of the Company constitute "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995. These may include statements projecting, forecasting or estimating the Company's performance and industry trends. The achievement of projections, forecasts or estimates is subject to certain risks and uncertainties. Actual results and events may differ materially from those that were projected, forecasted or estimated. Applicable risks and uncertainties include general economic and industry conditions that affect all international businesses, as well as matters that are specific to the Company and the markets it serves.

General risks that may impact the achievement of such forecasts include: compliance with new laws and regulations; significant raw material price fluctuations; currency exchange rate fluctuations; business cycles; and political uncertainties. Specific risks to the Company include the risk of recession in the international markets and industries in which its products are sold; the concentration of a significant portion of the Company's revenues from customers whose equipment needs are located in the Asia-Pacific region (Australia, China, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, and Thailand) where the capital goods market may continue to be depressed; the concentration of a substantial percentage of the Company's sales with a few major customers, several of whom have significant manufacturing presence in the Asia-Pacific region; the timing of new system orders and the timing of payments due on such orders; changes in installation schedules, which could lead to deferral of progress payments or unanticipated production costs; new or emerging technologies from current competitors, customers' in-house engineering departments and others; competition from current competitors, customers' in-house engineering departments and others; and the emergence of a substitute for glass. In light of these and other uncertainties, the inclusion of a forward-looking statement herein should not be regarded as a representation by the Company that the Company's plans and objectives will be achieved.

The following discussion should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report and in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1999, as filed with the Securities and Exchange Commission on September 23, 1999. The interim results of operations, historical results and percentage relationships set forth in this MD&A section and the financial statements, including trends that might appear, should not be taken as indicative of future operations.

General Overview

The Company designs and assembles glass bending and tempering (i.e., strengthening) systems which are used by glass manufacturers and processors in the conversion of flat glass into safety glass. Systems are sold worldwide, primarily to automotive glass manufacturers and processors and, to a lesser extent, to architectural glass manufacturers and processors. Revenues generated by the sale of new systems are referred to below as "Original Equipment."

The Company has an installed base of approximately 400 systems in 45 countries on six continents. As a result of its installed base and the relatively long useful life of a system, the Company also engages in sales of aftermarket products and services (retrofit of systems with upgrades, tooling used to shape glass parts, replacement parts and technical services). Revenues generated by these types of products are referred to below as "Aftermarket."

In this MD&A section all dollars amounts are in thousands, unless otherwise indicated.

Revenues

For financial reporting purposes, the Company includes in income the ratable portion of profits on uncompleted contracts determined in accordance with the stage of completion measured by the percentage of costs incurred to estimated total costs of each contract (generally, Original Equipment, system retrofits and tooling). Unbilled amounts included in uncompleted contract receivables represent revenues recognized in excess of amounts billed. Billings in excess of costs and estimated earnings on uncompleted contracts represent amounts billed in excess of revenues recognized. Revenue from sales other than contracts (spare parts and engineering services) is recognized when the products are shipped.

Selling Expenses

The Company maintains an in-house sales staff and uses the services of commissioned agents around the world for the sale of Original Equipment and Aftermarket products and services. In addition, the Company maintains a sales and engineering support office in the United Kingdom. The substantial majority of the Company's Original Equipment is sold directly to the largest glass manufacturers and processors in the world or their affiliates.

Research & Development

The Company believes it is the technological leader in the design and assembly of glass bending systems. The Company works with customers to identify product needs and market requirements. Periodically, the Company enters into joint development agreements with customers. From time to time, the Company allocates a portion of its research and development resources to complete the transition from new product development to new product introduction. When the Company does this, these expenses are charged directly to the contracts relating to the introduction of new products. The Company considers research and development expenses and new product introductions a very integral part of its future success.

Management 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Results of Operations

The following table sets forth the amounts and the percentage of total net revenue for certain revenue and expense items for the periods indicated:

	Three months Ended March 31,				Nine months Ended March 31,			
	2000		1999		2000		1999	
Net revenue (a)								
Original Equipment	$ 9,298	66.7%	$ 6,336	56.1%	$21,210	60.4%	$25,631	61.7%
Aftermarket	4,644	33.3	4,955	43.9	13,882	39.6	15,919	38.3
Total net revenue	$13,942	100.0	11,291	100.0	35,092	100.0	41,550	100.0
Cost of goods sold (a)	8,427	60.4	7,130	63.1	21,726	61.9	26,035	62.7
Gross profit	5,515	39.6	4,161	36.9	13,366	38.1	15,515	37.3
Selling, general and administrative	2,047	14.7	1,951	17.3	5,680	16.2	6,761	16.3
Research and development expense	904	6.5	781	6.9	2,752	7.8	2,663	6.4
Amortization expense (b)	1,061	7.6	1,061	9.4	3,182	9.1	3,182	7.6
Operating profit	$ 1,503	10.8%	$ 368	3.3%	$ 1,752	5.0%	$ 2,909	7.0%
Amortization expense (b)	1,061	7.6	1,061	9.4	3,182	9.1	3,182	7.6
Depreciation expense	357	2.6	342	3.0	1,070	3.0	1,153	2.8
EBITDA	$ 2,921	21.0%	$ 1,771	15.7%	$ 6,004	17.1%	$ 7,244	17.4%

(a) Contract revenues and cost of goods sold are recognized on a percentage completion basis measured by the percentage of costs incurred to the estimated total costs of each contract.

(b) Amortization expense excludes the amortization of deferred financing costs, which is included with interest expense.

Three months ended March 31, 2000 compared with the Three months ended March 31, 1999

Net revenue for the three months ended March 31, 2000 increased $2,651, or 23.5%, to $13,942 from $11,291 for the three months ended March 31, 1999. Original Equipment revenue increased $2,962, or 46.7%, to $9,298 for the three months ended March 31, 2000 compared to $6,336 for the three months ended March 31, 1999. The increase in Original Equipment revenue was the result of higher new contract signings for Original Equipment in the first quarter of fiscal 2000. Through March 31, 2000, signings in Europe and the United States have been strong while signings in the Asia-Pacific region continue to be weak. Aftermarket revenue declined to $4,644 for the three months ended March 31, 2000 compared to $4,955 for the three months ended March 31, 1999.

Historically a significant portion of the Company’s net revenue is generated from customers outside the United States. However, for the three months ended March 31, 2000, Original Equipment revenue from customers outside the United States declined to $2,830 (30.4% of total Original Equipment revenue) as compared to $3,348 (52.8% of total Original Equipment revenue) for the three months ended March 31, 1999. The percentage of aftermarket revenue from customers outside the United States also decreased to 40.4% of total aftermarket revenue for the three months ended March 31, 2000 compared to 51.1% for the three months ended March 31, 1999. For the three months ended March 31, 2000 and 1999 approximately 9.9% and 34.8%, respectively, of the Company’s net revenue was derived from sales of products to customers located in the Asia-Pacific region. The portion of the Company’s net revenue generated from customers outside the United States can fluctuate from time to time depending on location of contract signings.

Gross profit increased $1,354, or 32.5%, to $5,515 for the three months ended March 31, 2000 as compared to $4,161 for the three months ended March 31, 1999. The gross margin also increased to 39.6% from 36.9%, due to the current mix of contracts and the Company’s continuing efforts to reduce and minimize its production costs, including factory overhead, to mitigate the effects of lower sales and production volume.

Selling, general and administrative expenses were $2,047 for the three months ended March 31, 2000 as compared to $1,951 for the three months ended March 31, 1999.

Research and development expenses increased $123, or 15.7%, to $904 for the three months ended March 31, 2000 as compared to $781 for the three months ended March 31, 1999 as a result of increases in depreciation, utilities and other non-project specific costs.

Operating profit increased $1,135 to $1,503 for the three months ended March 31, 2000 as compared to $368 for the three months ended March 31, 1999. Operating profit, as a percentage of revenue, was 10.8% for the three months ended March 31, 2000 and 3.3% for the three months ended March 31, 1999. The increase in operating profit was the result of the increase in gross profit.

Net loss was $864 for the three months ended March 31, 2000 compared to a net loss of $2,006 for the three months ended March 31, 1999. The decreased net loss was the result of the increase in operating profit.

EBITDA, which is defined as operating profit plus depreciation and amortization, was $2,921 for the three months ended March 31, 2000 compared to $1,771 for the three months ended March 31, 1999. The increase in EBITDA was the result of the increase in operating profit.

Nine months ended March 31, 2000 compared with the Nine months ended March 31, 1999

Net revenue for the nine months ended March 31, 2000 decreased $6,458, or 15.5%, to $35,092 from $41,550 for the nine months ended March 31, 1999. Original Equipment revenue decreased $4,421, or 17.2%, to $21,210 for the nine months ended March 31, 2000 compared to $25,631 for the nine months ended March 31, 1999. This decrease in Original Equipment revenue was the result of lower new contract signings for Original Equipment in fiscal 1999, which resulted in the lower backlog at June 30, 1999 of $12,141. The lower new contract signings in fiscal 1999 were attributed to the Asia-Pacific and other foreign regions. Aftermarket revenue decreased $2,037, or 12.8%, to $13,882 for the nine months ended March 31, 2000 from $15,919 for the nine months ended March 31, 1999. The decrease in aftermarket revenue was primarily the result of a decline in retrofit and replacement parts revenues partially offset by an increase in tooling revenue. Tooling and retrofit revenues fluctuate based on customer demands and are influenced by a variety of factors, including the timing of automotive manufactures design changes, which may impact the release of tooling orders, and economic conditions and the customers' retrofit schedules.

For the nine months ended March 31, 2000, Original Equipment revenue from customers outside the United States declined to $6,229 (29.4% of total Original Equipment revenue) as compared to $12,526 (48.9% of total Original Equipment revenue) for the nine months ended March 31, 1999. The percentage of aftermarket revenue from customers outside the United States decreased to 45.5% of total aftermarket revenue for the nine months ended March 31, 2000 compared to 61.6% for the nine months ended March 31, 1999. For the nine months ended March 31, 2000 and 1999, approximately 11.6% and 29.8%, respectively, of the Company's net revenue was derived from sales of products to customers located in the Asia-Pacific region. The portion of the Company's net revenue generated from customers outside the United States can fluctuate from time to time depending on location of contract signings.

Gross profit decreased $2,149, or 13.9%, to $13,366 for the nine months ended March 31, 2000 as compared to $15,515 for the nine months ended March 31, 1999. The gross margin increased to 38.1% from 37.3% due to the current mix of contracts and the Company's continuing efforts to reduce and minimize its production costs, including factory overhead, to mitigate the effects of lower sales and production volume.

Selling, general and administrative expenses decreased $1,081, or 16.0%, to $5,680 for the nine months ended March 31, 2000 as compared to $6,761 for the nine months ended March 31, 1999. This decrease was primarily the result of lower incentive compensation costs due to decreased earnings and other cost containment measures implemented, including workforce reductions.

Research and development expenses were $2,752 for the nine months ended March 31, 2000 as compared to $2,663 for the nine months ended March 31, 1999.

Operating profit decreased $1,157 to $1,752 for the nine months ended March 31, 2000 as compared to $2,909 for the nine months ended March 31, 1999. Operating profit, as a percentage of revenue, was 5.0% for the nine months ended March 31, 2000 and 7.0% for the nine months ended March 31, 1999. The decrease in operating profit was the result of the decline in gross profit partially offset by the decrease in selling, general and administrative expenses.

Net loss was $5,355 for the nine months ended March 31, 2000 compared to a net loss of $4,064 for the nine months ended March 31, 1999. The increased net loss was the result of the decline in operating profit.

EBITDA, which is defined as operating profit plus depreciation and amortization, was $6,004 for the nine months ended March 31, 2000 compared to $7,244 for the nine months ended March 31, 1999. The decrease in EBITDA was the result of the decline in operating profit.

Liquidity and Capital Resources

The Company's liquidity and capital resources were significantly impacted by the Transaction. The Company's primary sources of liquidity are funds provided by operations and amounts available under the Credit Facility. The Senior Notes do not require any principal payments prior to maturity. The Credit Facility provides for borrowings up to $10,000 (including standby letters of credit), subject to a borrowing base of certain qualifying assets. At March 31, 2000, the Company had no outstanding borrowings under the Credit Facility and the borrowing base approximated $7,100. The Credit Facility is available to fund working capital requirements as needed, secure standby letters of credit, which totaled $305 at March 31, 2000 and is secured by substantially all of the assets of the Company. The Company believes it is in compliance with all material covenants in the Senior Notes and Credit Facility, as amended.

Net cash provided by operating activities can vary significantly from quarter to quarter due to the number of new system signings and the amount and timing of new system payments. In most instances, progress payments on new system orders are invoiced or received in advance of revenue recognition. When progress payments are invoiced or received in advance of such revenue recognition, the Company increases current liabilities represented by its billings in excess of costs and estimated earnings on uncompleted contracts. When the revenue is earned, the Company recognizes the revenue and reduces the billings in excess of costs and estimated earnings on uncompleted contract balances. Net cash used in operating activities for the nine months ended March 31, 2000 was $4,538 compared to $10,332 for the nine months ended March 31, 1999. This reduction in net cash used in operating activities for the nine months ended March 31, 2000 was due in part to payments for new system signings in the nine months ended March 31, 2000.

The Company has a backlog (on a percentage of completion basis) at March 31, 2000 of $17,325 as compared to $12,141 at June 30, 1999. The Company expects to complete this backlog within the next twelve months.

Capital expenditures, including demonstration furnaces classified as fixed assets, were $129 for the nine months ended March 31, 2000 and $10 for the nine months ended March 31, 1999. Also during the first quarter of fiscal 1999 certain non-contract furnace inventory, with a value of $1,271, was transferred to demonstration furnaces. Future capital expenditures, excluding demonstration furnaces, used to replace or improve operating equipment and facilities are estimated to be less than $1,000 for the year. In addition, the Company intends to make periodic replacements and improvements on demonstration furnaces, which are used for customer demonstrations and research and development purposes. Demonstration furnaces, which outlive their usefulness for customer demonstrations or research and development purposes, or both, may be refurbished and sold or put to other applicable uses.

As of June 30, 1999, the Company had net operating loss ("NOL") carryforwards for regular and alternative minimum tax purposes of approximately $42,893 and $39,528, respectively, which expire in the years 2009 through 2014. These NOL's are subject to annual usage limitations.

Management believes that internally generated funds, together with amounts available under the Credit

Facility, will be sufficient to satisfy the Company's operating cash and capital expenditure requirements, make required payments under the Credit Facility and make scheduled interest payments on the Senior Notes. However, the ability of the Company to satisfy its obligations will ultimately be dependent upon the Company's future operating and financial performance, including increasing contract signings, and upon its ability to renew or refinance borrowings or to raise additional equity capital as necessary. The Company's business is subject to rapid fluctuations due to changes in the world markets for the end products produced by its equipment (largely in the cyclical markets of automobiles and construction), currency fluctuations, the local economies of those countries where users and potential users of the Company's equipment are located, geopolitical events and other macroeconomic forces largely beyond the ability of the Company to predict or control. Except as discussed below, management is not currently aware of any trends, demands, commitments or uncertainties which will or which are reasonably likely to result in a material change in the Company's liquidity.

During fiscal 1998, 1999, and for the nine months ended March 31, 2000 approximately 39.7%, 28.1%, and 11.6% of the Company's net revenue was derived from sales of products to customers located in the Asia-Pacific region (Australia, China, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, and Thailand). Given the uncertainties of customers' capital expenditure plans and local demand for the products manufactured by the Company's customers in that region, the Company cannot predict with any degree of certainty what final impact the economic issues facing the Asia-Pacific region will ultimately have on the Company's future contract signings.

Management believes the timing of orders for the Company's products from the Asia-Pacific region may continue to be adversely affected in fiscal 2000. However, the impact of this situation on fiscal 2000 financial performance may be mitigated by offsetting equipment sales to customers in other regions of the world. Given the inherent difficulty in predicting with certainty the timing of contract signings and geographic areas into which equipment will be delivered in fiscal 2000 and beyond, the ultimate severity of the impact of this situation on the Company's financial performance in fiscal 2000 and beyond is impossible to predict. The Company will continue to monitor the situation in the Asia-Pacific region. Notwithstanding the current economic conditions in the Asia-Pacific region, the Company believes that given world demographics and long term economic trends, the Asia-Pacific region will continue to represent a significant market for the Company's products and it intends to continue its presence in this area.

ITEM 3. MARKET RISK EXPOSURES

Based on the Company's current operations and business practices, the Company does not believe that it has any significant exposure to interest rate, foreign currency, commodity price, or equity price market risks.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect the financial statements of the Company.

ITEM 5. OTHER INFORMATION

The Company may, from time to time, repurchase its Senior Notes in the open market, in privately negotiated transactions or by other means, depending on market conditions. To date, the Company has not purchased any Senior Notes.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

2.1(a)	Agreement and Plan of Merger
2.2(a)	Amendment to Agreement and Plan of Merger
3.1(a)	Restated Certificate of Incorporation of the Registrant
3.2(a)	By-laws of the Registrant
4.1(a)	Indenture (including form of Note)
4.2(a)	First Supplemental Indenture
10.1(a)	Financing and Security Agreement between Bank of America, N.A. (f/k/a NationsBank, N.A.) and the Registrant
10.1.1(b)	Second Amendment to Financing and Security Agreement between Bank of America, N.A. (f/k/a NationsBank N.A.) and the Registrant
10.1.2(c)	Third Amendment to Financing and Security Agreement between Bank of America, N.A. (f/k/a NationsBank N.A.) and the Registrant
10.2(a)	Plant and Office Lease
10.3(a)	Warehouse Lease
10.4(a)	Advisory Agreement between the Registrant and Key Equity Capital Corporation
10.5(a)	Form of Exchange Agent Agreement between United States Trust Company of New York and the Registrant
10.6(a)	Employment Agreement among Glasstech Holding Co., the Registrant and John S. Baxter
10.7(a)	Employment Agreement among Glasstech Holding Co., the Registrant and Mark D. Christman
10.8(a)	Employment Agreement among Glasstech Holding Co., the Registrant and Larry E. Elliott
10.9(a)	Employment Agreement among Glasstech Holding Co., the Registrant and Ronald A. McMaster
10.10(a)	Employment Agreement among Glasstech Holding Co., the Registrant and James P. Schnabel, Jr.
10.11(a)	Employment Agreement among Glasstech Holding Co., the Registrant and Diane S. Tymiak
10.12(a)	Employment Agreement among Glasstech Holding Co., the Registrant and Kenneth H. Wetmore
10.13(a)	Securities Purchase Agreement between the Registrant, as successor to Glasstech Sub Co., and CIBC Wood Gundy Securities Corp.
10.14(a)	Registration Rights Agreement between the Registrant, as successor to Glasstech Sub Co., and CIBC Wood Gundy Securities Corp.
27.1(d)	Financial Data Schedule

(a) Incorporated by reference from the Company’s Registration Statement on Form S-4 (Registration No. 333-34391) (the “Form S-4”) filed on August 26, 1997. Each of the above exhibits has the same exhibit number in the Form S-4.

(b) Incorporated by reference from the Company’s Quarterly Report on Form 10-Q for the quarter ended December 31, 1998 using the same exhibit number as above.

(c) Incorporated by reference from the Company’s Annual Report on Form 10-K for the year ended June 30, 1999 using the same exhibit number as above.

(d) Filed herewith.

(b) No reports on Form 8-K were filed during the fiscal quarter covered by this report.

SIGNATURES

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

GLASSTECH, INC., a Delaware Corporation

Date:	May 11, 2000	/s/ Mark D. Christman
		Mark D. Christman President and Chief Executive Officer
Date:	May 11, 2000	/s/ Diane S. Tymiak
		Diane S. Tymiak Vice President and Chief Financial Officer (Principal Accounting Officer)