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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, 2001

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 11, 2001 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, 2000, as filed with the Securities and Exchange Commission on September 27, 2000. 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, 2001	June 30, 2000
Assets		
Current assets:		
Cash and cash equivalents	$ 527	$ 5,668
Accounts receivable:		
Contracts:		
Uncompleted, including unbilled amounts of $6,113 and $2,211	11,312	4,820
Completed	1,029	1,626
Trade, less allowance of $40 for doubtful accounts	1,292	1,631
	13,633	8,077
Inventory:		
Replacement and service parts	1,791	1,675
Furnace and other	683	687
	2,474	2,362
Prepaid expenses	391	279
Total current assets	17,025	16,386
Property, plant and equipment, net	4,897	5,650
Other assets:		
Patents, less accumulated amortization of $6,477 and $5,181	11,806	13,102
Goodwill, less accumulated amortization of $9,546 and $7,660	40,878	42,764
Deferred financing costs and other	2,734	3,209
Total other assets	55,418	59,075
	$ 77,340	$ 81,111
Liabilities and capital deficiency		
Current liabilities:		
Accounts payable	$ 4,912	$ 2,786
Billings in excess of costs and estimated earnings on uncompleted contracts	4,899	2,289
Accrued liabilities:		
Interest	2,231	4,462
Salaries and wages	987	1,232
Contract costs	1,203	876
Other	972	973
	5,393	7,543
Total current liabilities	15,204	12,618
Long-term debt	69,652	69,572
Nonpension postretirement obligation	483	456
Capital deficiency:		
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	(19,721)	(13,257)
Total capital deficiency	(7,999)	(1,535)
	$ 77,340	$ 81,111

See accompanying notes.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2001	**2000**	**2001**	**2000**
Net revenue	$14,263	$13,942	$39,228	$35,092
Cost of goods sold	8,880	8,427	26,360	21,726
Gross profit	5,383	5,515	12,868	13,366
Selling, general and administrative expenses	2,154	2,047	5,987	5,680
Research and development expenses	1,164	904	3,050	2,752
Amortization expense	1,061	1,061	3,182	3,182
Operating profit	1,004	1,503	649	1,752
Interest expense	(2,417)	(2,417)	(7,251)	(7,251)
Other income — net	30	50	138	144
Net loss	$ (1,383)	$ (864)	$ (6,464)	$ (5,355)

See accompanying notes.

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

	Nine months Ended March 31,	
	2001	**2000**
Operating activities		
Net loss	$(6,464)	$(5,355)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,506	4,729
Accretion of debt discount	80	81
Nonpension postretirement benefit obligation expense in excess of payments	27	18
Changes in assets and liabilities affecting operations:		
Accounts receivable	(5,556)	(3,203)
Inventory	(112)	892
Prepaid expenses	(112)	12
Accounts payable	2,126	770
Billings in excess of costs and estimated earnings on uncompleted contracts	2,610	401
Accrued liabilities	(2,150)	(2,883)
Net cash used in operating activities	(5,045)	(4,538)
Investing activities		
Additions to property, plant and equipment	(97)	(129)
Other	1	—
Net cash used in investing activities	(96)	(129)
Financing activities		
Other	—	17
Net cash provided by financing activities	—	17
Decrease in cash and cash equivalents	(5,141)	(4,650)
Cash and cash equivalents at beginning of period	5,668	8,661
Cash and cash equivalents at end of period	$ 527	4,011
Supplemental disclosure of cash flow information:		
Cash paid (received) during the period for the following:		
Interest	$ 8,925	$ 8,925
Income taxes	$ —	$ (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, 2000 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 is available to fund working capital requirements as needed and secure standby letters of credit. The Credit Facility as amended provides for borrowings up to $13,000 (including standby letters of credit), subject to a borrowing base of certain qualifying assets up to a maximum of $7,000. Any borrowings or standby letters of credit above $7,000 must be cash collateralized. The Credit Facility provides for interest on outstanding borrowings at the LIBOR rate plus 2.5%, payable semi-annually, and is secured by substantially all of the assets of the Company. At March 31, 2001, the Company had no outstanding borrowings, $1,038 in standby letters of credit secured and a borrowing base of $7,000.

The Senior Notes and Credit Facility, as amended, contain numerous financial and other covenants that require the maintenance of certain levels of earnings as defined, restricts the Company from incurring additional indebtedness, conducting other types of business activities and investments as well as the payment of dividends. 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); 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, 2000, as filed with the Securities and Exchange Commission on September 27, 2000. 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 that 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,			
	2001		2000		2001		2000	
Net revenue (a)								
Original Equipment	$ 9,955	69.8%	$ 9,298	66.7%	$25,667	65.4%	$21,210	60.4%
Aftermarket	4,308	30.2	4,644	33.3	13,561	34.6	13,882	39.6
Total net revenue	14,263	100.0	13,942	100.0	39,228	100.0	35,092	100.0
Cost of goods sold (a)	8,880	62.3	8,427	60.4	26,360	67.2	21,726	61.9
Gross profit	5,383	37.7	5,515	39.6	12,868	32.8	13,366	38.1
Selling, general and administrative	2,154	15.1	2,047	14.7	5,987	15.3	5,680	16.2
Research and development expense	1,164	8.2	904	6.5	3,050	7.8	2,752	7.8
Amortization expense (b)	1,061	7.4	1,061	7.6	3,182	8.1	3,182	9.1
Operating profit (loss)	$ 1,004	7.1%	$ 1,503	10.8%	$ 649	1.6%	$ 1,752	5.0%
Amortization expense (b)	1,061	7.4	1,061	7.6	3,182	8.1	3,182	9.1
Depreciation expense	282	2.0	357	2.6	846	2.2	1,070	3.0
EBITDA	$ 2,347	16.5%	$ 2,921	21.0%	$ 4,677	11.9%	$ 6,004	17.1%

(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, 2001 compared with the Three months Ended March 31, 2000

Net revenue for the three months ended March 31, 2001 increased $321, or 2.3%, to $14,263 from $13,942 for the three months ended March 31, 2000. Original Equipment revenue increased $657, or 7.1%, to $9,955 for the three months ended March 31, 2001 compared to $9,298 for the three months ended March 31, 2000. The increase in Original Equipment revenue is the result of a higher backlog at June 30, 2000 compared to June 30, 1999 and an increase in Original Equipment signings for the nine months ended March 31, 2001. Aftermarket revenue decreased $336 or 7.2% to $4,308 for the three months ended March 31, 2001 from $4,644 for the three months ended March 31, 2000. The decrease in aftermarket revenue was primarily the result of a decline in tooling revenue, partially offset by an increase in retrofit revenue. Retrofit and tooling revenues fluctuate based on customer demands and are influenced by a variety of factors, including economic conditions and the customers' retrofit schedules and the timing of automotive manufacturers' design changes, which may impact the release of tooling orders.

A significant portion of the Company's net revenue is generated from customers outside the United States. For the three months ended March 31, 2001, Original Equipment revenue from foreign customers increased to $7,601 (76.4% of total Original Equipment revenue) as compared to $4,117 (44.3% of total Original Equipment revenue) for the three months ended March 31, 2000. The percentage of aftermarket revenue from foreign customers increased to 63.5% of total aftermarket revenue for the three months ended March 31, 2001 compared to 40.5% for the three months ended March 31, 2000. For the three months ended March 31, 2001 and 2000 approximately 52.3% and 9.9%, 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 $132, or 2.4%, to $5,383 for the three months ended March 31, 2001 as compared to $5,515 for the three months ended March 31, 2000. The gross margin decreased to 37.7% from 39.6% due primarily to the current mix of contracts and cost overruns on certain contracts that the Company does not expect to incur in the future.

Selling, general and administrative expenses increased $107, or 5.2%, to $2,154 for the three months ended March 31, 2001 as compared to $2,047 for the three months ended March 31, 2000.

Research and development expenses increased $260 or 28.8% to $1,164 for the three months ended March 31, 2001 as compared to $904 for the three months ended March 31, 2000 due to an increase in project costs partially offset by decreases in utilities, depreciation and other costs.

Operating profit decreased $499 to $1,004 for the three months ended March 31, 2001 as compared to $1,503 for the three months ended March 31, 2000. Operating profit, as a percentage of revenue, was 7.1% for the three months ended March 31, 2001 and 10.8% for the three months ended March 31, 2000. The decrease in operating profit was the result of the decline in gross profit in addition to increases in selling, general and administrative expenses and research and development expenses.

No income tax expense has been provided in the three months ended March 31, 2001 and 2000 due to the recorded loss and the uncertainty related to the future realization of such amounts.

Net loss was $1,383 for the three months ended March 31, 2001 compared to a net loss of $864 for the three months ended March 31, 2000. This was the result of the decline in operating profit.

EBITDA, which is defined as operating profit plus depreciation and amortization, was $2,347 for the three months ended March 31, 2001 compared to $2,921 for the three months ended March 31, 2000. The decrease in EBITDA was the result of the decline in operating profit.

Nine months Ended March 31, 2001 compared with the Nine months Ended March 31, 2000

Net revenue for the nine months ended March 31, 2001 increased $4,136, or 11.8%, to $39,228 from $35,092 for the nine months ended March 31, 2000. Original Equipment revenue increased $4,457, or 21.0%, to $25,667 for the nine months ended March 31, 2001 compared to $21,210 for the nine months ended March 31, 2000. The increase in Original Equipment revenue is the result of a higher backlog at June 30, 2000 compared to June 30, 1999 and an increase in Original Equipment signings for the nine months ended March 31, 2001. Aftermarket revenue decreased $321, or 2.3% to $13,561 for the nine months ended March 31, 2001 compared to $13,882 for the nine months ended March 31, 2000.

For the nine months ended March 31, 2001, Original Equipment revenue from foreign customers increased to $20,472 (79.8% of total Original Equipment revenue) as compared to $8,969 (42.3% of total Original Equipment revenue) for the nine months ended March 31, 2000. The percentage of aftermarket revenue from foreign customers increased to 61.2% of total aftermarket revenue for the nine months ended March 31, 2001 compared to 45.6% for the nine months ended March 31, 2000. For the nine months ended March 31, 2001 and 2000 approximately 47.5% and 11.6%, 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 $498, or 3.7%, to $12,868 for the nine months ended March 31, 2001 as compared to $13,366 for the nine months ended March 31, 2000. The gross margin decreased to 32.8% from 38.1% due primarily to the current mix of contracts and cost overruns on certain contracts that the Company does not expect to incur in the future.

Selling, general and administrative expenses increased $307, or 5.4%, to $5,987 for the nine months ended March 31, 2001 as compared to $5,680 for the nine months ended March 31, 2000. This increase largely resulted from an increase in marketing expense primarily related to a bi-annual trade show.

Research and development expenses increased $298, or 10.8% to $3,050 for the nine months ended March 31, 2001 as compared to $2,752 for the nine months ended March 31, 2000 due to an increase in project costs partially offset by decreases in utilities, depreciation and other costs.

Operating profit decreased $1,103 to $649 for the nine months ended March 31, 2001 as compared to $1,752 for the nine months ended March 31, 2000. Operating profit, as a percentage of revenue, was 1.6% for the nine months ended March 31, 2001 and 5.0% for the nine months ended March 31, 2000. The decrease in operating profit was primarily the result of the decline in gross profit.

No income tax expense has been provided in the nine months ended March 31, 2001 and 2000 due to the recorded loss and the uncertainty related to the future realization of such amounts.

Net loss was $6,464 for the nine months ended March 31, 2001 compared to a net loss of $5,355 for the nine months ended March 31, 2000. This was the result of the decline in operating profit.

EBITDA, which is defined as operating profit plus depreciation and amortization, was $4,677 for the nine months ended March 31, 2001 compared to $6,004 for the nine months ended March 31, 2000. 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 is available to fund working capital requirements as needed and secure standby letters of credit. The Credit Facility as amended provides for borrowings up to $13,000 (including standby letters of credit), subject to a borrowing base of certain qualifying assets up to a maximum of $7,000. Any borrowings or standby letters of credit above $7,000 must be cash collateralized. The Credit Facility is secured by substantially all of the assets of the Company and at March 31, 2001, the Company had no outstanding borrowings, $1,038 in secured standby letters of credit and a borrowing base of $7,000. The Company believes it is in material compliance with all covenants in the Senior Notes and Credit Facility.

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, 2001 was $5,045 as compared to $4,055 for the nine months ended March 31, 2000. This increase in net cash used in operating activities for the nine months ended March 31, 2001 was primarily due to the timing of payments for new system signings.

The Company has a backlog (on a percentage of completion basis) at March 31, 2001 of $15,767 as compared to $17,394 at June 30, 2000. The Company expects to complete a substantial majority of this backlog within the next twelve months. Signings for the nine months ended March 31, 2001 were $37,781 compared to $40,201 for the nine months ended March 31, 2000. The mix of signings by type and breakdown by geographic region for the nine months ended March 31, 2001 compared to the nine months ended March 31, 2000 is as follows:

- Automotive signings as a percentage of total signings, increased to 86% for the nine months ended March 31, 2001 compared to 77% for the nine months ended March 31, 2000. Architectural signings, as a percentage of total signings, decreased to 14% for the nine months ended March 31, 2001 compared to 23% for the nine months ended March 31, 2000.

- The mix of signings by geographic region, as a percentage of total signings, changed significantly between the periods. Signings in the Americas (North, Central and South America) decreased to 38% for the nine months ended March 31, 2001 compared to 64% for the nine months ended March 31, 2000. Signings in Europe decreased to 9% for the nine months ended March 31, 2001 compared to 29% for the nine months ended March 31, 2000. Signings in the Asia-Pacific region increased to 53% for the nine months ended March 31, 2001 compared to 7% for the nine months ended March 31, 2000.

The Company has experienced a recent increase in quoting activity and contract signings for the Asia-Pacific region and 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.

Capital expenditures, including demonstration furnaces classified as fixed assets, were $97 for the nine months ended March 31, 2001 and $129 for the nine months ended March 31, 2000. Future capital expenditures, excluding demonstration furnaces, used to replace or improve operating equipment and facilities are estimated to be less than $150 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, 2000, the Company had net operating loss ("NOL") carryforwards for regular and alternative minimum tax purposes of approximately $46,547 and $43,075, respectively, which expire in the years 2009 through 2015.

Although the Company's ability to generate cash has been affected by the increased interest costs resulting from the Transaction and the lower level of contract signings in fiscal 2001 and 2000, 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. 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.

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
10.1.3(d)	Fourth 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.

(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 filed on February 11, 1999.
(c)	Incorporated by reference from the Company’s Annual Report on Form 10-K filed on September 23, 1999.
(d)	Incorporated by reference from the Company’s Quarterly Report on Form 10-Q filed on November 13, 2000.

(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.

Date: May 15, 2001	GLASSTECH, INC., a Delaware Corporation
	/s/ Mark D. Christman
	Mark D. Christman President and Chief Executive Officer
Date: May 15, 2001	/s/ Diane S. Tymiak
	Diane S. Tymiak Vice President, Treasurer and Chief Financial Officer (Principal Accounting Officer)