

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

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 1997

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: 0-1665

EXTECH CORPORATION

(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

36-2476480
(I.R.S Employer
Identification No.)

90 Merrick Avenue, East Meadow, New York
(Address of principal executive offices)

11554
(Zip Code)

(516) 794-6300
(Registrant's telephone number, including area code)

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

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. (X) Yes () No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and
reports required to be filed by Sections 12, 13 or 15(d) of the Securities
Exchange Act of 1934 subsequent to the distribution of securities under a plan
confirmed by a court. ()Yes () No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

5,591,367 shares as of October 31, 1997

This document consists of 10 sequentially numbered pages.

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

EXTECH CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

September 30, 1997

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$1,416,996
Accounts receivable	36,472
Notes and other receivables	27,058
Inventories	3,561
Prepaid expenses and other current assets	14,018

Total current assets	1,498,105

PROPERTY AND EQUIPMENT, net	132,220
	=====

OTHER ASSETS:

Operating equipment, net	10,053
Deposits	5,000

Total other assets	15,053

\$1,645,378
=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable	\$ 6,272
Accrued expenses	36,991
Debentures payable	154,200
Accrued taxes payable	12,049

Total current liabilities 209,512

MINORITY INTEREST	560

LONG TERM LIABILITIES:	59,883

STOCKHOLDERS' EQUITY:

Common Stock, \$.01 par value; authorized, 10,000,000 shares; issued and outstanding, 5,591,367 shares	55,914
Capital in excess of par	5,264,950
Deficit	(3,945,441)

	1,375,423

	\$1,645,378
	=====

See notes to condensed consolidated financial statements.

EXTECH CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Nine months ended September 30,	
	1997	1996
Revenues:		
Rooms	\$ 697,702	\$ 735,275
Other	16,237	17,366
Interest	47,580	27,543
	-----	-----
Total revenues	761,519	780,184
	-----	-----
Costs and expenses:		
General, administrative and sundry	379,824	382,863
Departmental	222,286	234,336
Depreciation and amortization	39,209	38,676
Energy costs	18,142	12,157
Lease rentals	139,986	146,168
Marketing	15,765	18,582
Property operation and maintenance	19,973	17,872
Provision for bad debt	13,122	1,800
	-----	-----
	848,307	852,454
Net (loss)	\$ (86,788)	\$ (72,270)
	=====	=====
Income per common share:		
Net (loss)	\$ (.02)	\$ (.02)
	=====	=====
Weighted average number of common shares outstanding	5,591,367	3,781,148
	=====	=====

See notes to condensed consolidated financial statements.

EXTECH CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three months ended	
	September 30,	
	1997	1996
Revenues:		
Rooms	\$ 185,067	\$ 229,113
Other	6,964	4,975
Interest	17,380	12,502
	-----	-----
Total revenues	209,411	246,590
	-----	-----
Costs and expenses:		
General, administrative and sundry	120,212	175,176
Departmental	73,030	82,829
Depreciation and amortization	13,283	12,844
Energy costs	6,776	4,846
Lease rentals	39,291	44,937
Marketing	4,155	5,382
Property operation and maintenance	7,490	7,446
Provision for bad debt	12,522	600
	-----	-----
	276,759	334,060
	-----	-----
Net (loss)	\$ (67,348)	\$ (87,470)
	=====	=====
Income per common share:		
Net (loss)	\$ (.01)	\$ (.02)
	=====	=====
Weighted average number of common shares outstanding	5,591,367	5,591,367
	=====	=====

See notes to condensed consolidated financial statements.

EXTECH CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine months ended September 30,	
	1997	1996
Cash flows from operating activities:		
Net (loss)	\$ (86,788)	\$ (72,270)
Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	39,209	38,676
Provision for bad debts	13,122	1,800
Decrease (increase) in assets:		
Accounts receivable	997	(7,761)
Inventories	2,839	2,462
Prepaid expenses and other current assets	108,461	(6,773)
Notes receivable	54,798	(28,526)
Other assets	(524)	(1,407)
Deposits	(5,000)	(260,000)
Increase (decrease) in liabilities:		
Accounts payable	4,298	3,137
Accrued expenses	(26,752)	(35,795)
Accrued taxes payable	12,049	10,711
	-----	-----
Net cash provided by (used in) operating activities	116,709	(355,746)
	-----	-----
Cash flows from investing activities:		
Purchases of property and equipment	(17,834)	(4,676)
	-----	-----
Net cash (used in) investing activities:	(17,834)	(4,476)
	-----	-----
Cash flows from financing activities:		
Proceeds from issuance of stock	- 0 -	800,000
	-----	-----
Net cash provided by financing activities	- 0 -	800,000
	-----	-----
Net increase in cash and cash equivalents	98,875	439,578
Cash, beginning of period	1,318,121	644,956
	-----	-----
Cash, end of period	\$1,416,996	\$1,084,534
	=====	=====

See notes to condensed consolidated financial statements.

EXTECH CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996 (UNAUDITED)

1. The Condensed Consolidated Balance Sheet as of September 30, 1997, the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 1997 and 1996 and the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 1997 and 1996 have been prepared by the Company without audit. In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly its financial position as of September 30, 1997, results of operations for the three and nine months ended September 30, 1997 and 1996 and cash flows for the nine months ended September 30, 1997 and 1996. This report should be read in conjunction with the Company's Annual Report on Form 10-KSB for the year ended December 31, 1996.
2. The results of operations and cash flows for the nine months ended September 30, 1997 are not necessarily indicative of the results to be expected for the full year.

EXTECH CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OR
PLAN OF OPERATION

NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996

Results of Operations:

The Company's net loss for the nine months ended September 30, 1997 was \$86,788 as compared to a net loss of \$72,270 for the nine months ended September 30, 1996. The total revenues for the nine months ended September 30, 1997 was \$18,665 lower than the total revenues for the nine months ended September 30, 1996. The increased loss for 1997 as compared to 1996 was primarily the result of the lower revenues for the current year as well as the Company's write off of its loan receivable from Transcends Telecom Corporation.

Liquidity and Capital Resources:

As of September 30, 1997, the Company had \$1,416,996 in cash and cash equivalents and a working capital surplus of \$1,288,593. As of December 31, 1996, the Company had \$1,318,121 in cash and cash equivalents and a working capital surplus of \$1,263,038. The increase in cash and cash equivalents was primarily the result of cash generated from operating activities for 1997, including the receipt of \$77,652 in royalty payments during the first quarter of 1997 (which royalty payments were recognized as revenue in 1996), and the receipt of \$33,308 in payments from Robeson Industries Corp. pursuant to a certain promissory note.

The increase in working capital was primarily the result of the increase in cash and cash equivalents and the reclassification of \$59,883 of certain disputed rental obligations of the Company's wholly-owned subsidiary, IAH, Inc., as long term liabilities, rather than as accrued expenses.

The Company did not have any material commitments for capital expenditures as of September 30, 1997; however, the Company is continuing to explore various business opportunities. No definitive arrangements are currently in place and no assurances can be given that any such transaction will be entered into.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

None

Item 2. CHANGES IN SECURITIES

None

Item 3. DEFAULTS UPON SENIOR SECURITIES

None

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

Item 5. OTHER INFORMATION

None

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3(a) Certificate of Incorporation,
as amended¹

3(b) By-laws, as amended²

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(b) Reports on Form 8-K

None

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1. Denotes document filed as an exhibit to the Company's Annual Report on Form 10-KSB for the year ended December 31, 1993 and incorporated herein by reference.

2. Denotes document filed as an exhibit to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 1997 and incorporated herein by reference.

SIGNATURES

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

EXTECH CORPORATION

Dated: November 12, 1997

By: /s/ Morton L. Certilman

MORTON L. CERTILMAN
President (Chief Operating Officer
and Principal Financial Officer)

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The schedule contains summary financial information extracted from the financial Statements and is qualified in its entirety by reference to such financial statements.

	1	1
9-MOS		
	Dec-31-1997	
	Jan-01-1997	
	Sep-30-1997	
	1	1,416,996
	0	
	63,530	
	0	
	3,561	
	1,498,105	132,220
	39,209	
	1,645,378	
209,512		0
0	0	
	0	55,914
		5,264,950
1,645,378		0
	761,519	0
		848,307
	0	
	0	
0		
	(86,788)	
	0	
(86,788)		
	0	
0		
	0	
	(86,788)	
	(.02)	
	(.02)	