

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 March 31, 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 April 17, 1997

This document consists of 9 sequentially numbered pages.

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## PART I. FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

EXTECH CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEET  
(UNAUDITED)

March 31, 1997

## ASSETS

## CURRENT ASSETS:

Cash and cash equivalents	\$1,481,636
Accounts receivable	52,854
Notes and other receivables	53,121
Inventories	6,097
Prepaid expenses and other current assets	44,827
	-----
Total current assets	1,638,535
	-----

## PROPERTY AND EQUIPMENT, net

142,777

## OTHER ASSETS:

Operating equipment, net	7,840
Deposits	5,000
	-----
Total other assets	12,840
	-----

\$1,794,152

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## LIABILITIES AND STOCKHOLDERS' EQUITY

## CURRENT LIABILITIES:

Accounts payable	\$ 5,405
Accrued expenses	55,456
Debentures payable	154,200
Accrued taxes payable	18,174
	-----

Total current liabilities

233,235

## MINORITY INTEREST

560

## OTHER 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	(3,820,390)
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1,500,474

1,794,152

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See notes to condensed consolidated financial statements.

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

	Three months ended	
	March 31,	
	1997	1996
Revenues:		
Rooms	\$ 307,471	\$ 301,611
Other	5,138	6,663
Interest	13,260	6,187
	-----	-----
Total revenues	325,869	314,461
	-----	-----
Costs and expenses:		
General, administrative and sundry	114,475	101,069
Departmental	80,334	80,782
Depreciation and amortization	12,820	12,987
Energy costs	4,907	4,635
Lease rentals	61,731	62,185
Marketing	7,198	7,791
Property operation and maintenance	5,841	4,565
Provision for bad debt	300	600
	-----	-----
	287,606	274,614
Net income	\$ 38,263	\$ 39,847
	=====	=====
Income per common share:		
Net income	\$ .01	\$ .02
	=====	=====
Weighted average number of common shares outstanding	5,591,367	2,391,367
	=====	=====

See notes to condensed consolidated financial statements.

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

	Three months ended	
	March 31,	
	1997	1996
Cash flows from operating activities:		
Net income	\$ 38,263	\$ 39,847
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,820	12,987
Provision for bad debts	300	600
Decrease (increase) in assets:		
Accounts receivable	(2,563)	12,089
Inventories	303	(866)
Prepaid expenses and other current assets	77,652	482
Notes receivable	28,735	(37,078)
Other assets	1,689	1,415
Deposits	( 5,000)	-0-
Increase (decrease) in liabilities:		
Accounts payable	3,431	2,223
Accrued expenses	(68,170)	(4,282)
Accrued taxes payable	18,174	15,759
Other Long Term Liabilities	59,883	
	-----	-----
Net cash provided by operating activities	165,517	43,176
	-----	-----
Cash flows from investing activities:		
Purchases of property and equipment	( 2,002)	(4,255)
	-----	-----
Net cash (used in) investing activities:	( 2,002)	(4,255)
	-----	-----
Net increase in cash and cash equivalents	163,515	38,921
Cash, beginning of period	1,318,121	644,956
	-----	-----
Cash, end of period	\$1,481,636	\$ 683,877

See notes to condensed consolidated financial statements.

EXTECH CORPORATION AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 1997 AND 1996 (UNAUDITED)

1. The Condensed Consolidated Balance Sheet as of March 31, 1997, the Condensed Consolidated Statements of Operations for the three months ended March 31, 1997 and 1996 and the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 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 March 31, 1997, results of operations for the three months ended March 31, 1997 and 1996 and cash flows for the three months ended March 31, 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 three months ended March 31, 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

THREE MONTHS ENDED MARCH 31, 1997 AND 1996

Results of Operations:

The Company's net income for the three months ended March 31, 1997 was \$38,263 as compared to a net income of \$39,847 for the three months ended March 31, 1996. Room revenues and interest income for the three months ended March 31, 1997 increased \$5,860 and \$7,073, respectively, as compared to the three months ended March 31, 1996. Such increases were offset by an increase of \$13,406 in selling, administrative and sundry expenses for the first quarter of 1997 as compared to 1996.

Liquidity and Capital Resources:

As of March 31, 1997, the Company had \$1,481,636 in cash and cash equivalents and a working capital surplus of \$1,405,300. As of December 31, 1996, the Company had \$1,318,121 in cash and cash equivalents and a working capital surplus of \$1,299,647. The increase in cash and cash equivalents was primarily the result of cash generated from operating activities for the three months ended March 31, 1997. Such operating activities include, among other things, 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 \$28,735 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 March 31, 1997.

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 amended (1)

3(b) By-laws, as amended (2)

27 Financial Data Schedule

(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 Annual Report on Form 10-K for the year ended December 31, 1989 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: May 15, 1997

By:/s/ Morton L. Certilman  
MORTON L. CERTILMAN  
President (Chief Operating Officer and  
Principal Financial Officer)

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