SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

Form 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter Ended December 31, 1999 (Unaudited)	Commission File Number 0-4041

HATHAWAY CORPORATION
(Incorporated Under the Laws of the State of Colorado)

8228 Park Meadows Drive
Littleton, Colorado 80124
Telephone: (303) 799-8200

84-0518115
(IRS Employer Identification Number)

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 ninety (90) days.

YES X NO ______

Number of Shares of the only class of Common Stock outstanding:
(4,283,000 as of December 31, 1999)

HATHAWAY CORPORATION
INDEX

HATHAWAY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	December 31, 1999	June 30, 1999
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,708	$ 2,416
Restricted cash	208	646
Trade receivables, net	7,019	6,465
Inventories, net	4,358	3,316
Other	977	1,170
Total current assets	14,270	14,013
Property and equipment, net	1,568	1,720
Investment in joint ventures, net	984	514
Cost in excess of net assets acquired, net	96	126
Other long-term assets	10	25
Total Assets	$16,928	$16,398
Liabilities and Stockholders' Investment		
Current Liabilities:		
Line of credit classified as current	$ 1,443	$ 1,308
Accounts payable	1,764	1,570
Accrued current liabilities and other	4,433	4,204
Total Liabilities	7,640	7,082
Stockholders' Investment:		
Common stock	100	100
Additional paid-in capital	9,954	9,954
Loans receivable for stock	(235)	(235)
Retained earnings	3,212	3,316
Cumulative translation adjustment	230	154
Treasury stock	(3,973)	(3,973)
Total Stockholders' Investment	9,288	9,316
Total Liabilities and Stockholders' Investment	$16,928	$16,398

HATHAWAY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	For the three months ended December 31, 1999	For the three months ended December 31, 1998	For the six months ended December 31, 1999	For the six months ended December 31, 1998
Revenues	$11,151	$10,539	$20,056	$19,657
Operating costs and expenses:				
Cost of products sold	6,736	6,605	12,499	12,819
Selling	1,467	1,924	2,962	3,617
General and administrative	1,343	1,153	2,584	2,347
Engineering and development	1,083	1,100	2,227	2,223
Amortization of intangibles and other	21	57	45	116
Total operating costs and expenses	10,650	10,839	20,317	21,122
Operating income (loss)	501	(300)	(261)	(1,465)
Other income (expenses), net:				
Equity income from investments in joint ventures	100	--	200	--
Interest and dividend income	14	17	32	53
Interest expense	(36)	(33)	(71)	(71)
Other income (expenses), net	116	(34)	32	(169)
Total other income (expenses), net	194	(50)	193	(187)
Income (loss) before income taxes	695	(350)	(68)	(1,652)
Benefit (provision) for income taxes	(78)	4	(36)	(1)
Net income (loss)	$ 617	$ (346)	$ (104)	$(1,653)
Basic and diluted net income (loss) per share	$ 0.14	$ (0.08)	$ (0.02)	$ (0.39)
Basic weighted average shares outstanding	4,283	4,283	4,283	4,283
Diluted weighted average shares outstanding	4,297	4,283	4,283	4,283

HATHAWAY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the six months ended December 31, 1999	1998
Cash Flows From Operating Activities:		
Net loss	$ (104)	$ (1,653)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	438	470
Equity income from investment in joint venture	(200)	--
Gain on partial sale of investment in joint venture	(126)	--
Other	131	82
Changes in assets and liabilities, net of effect of purchase of Ashurst Logistic Electronics Limited effective July 1, 1998:		
(Increase) decrease in -		
Restricted cash	438	(141)
Receivables	(600)	(16)
Inventories	(1,042)	753
Prepaid expenses and other	207	(11)
Increase (decrease) in -		
Accounts payable	194	(635)
Accrued liabilities and other	229	4
Net cash used in operating activities	(435)	(1,147)
Cash Flows From Investing Activities:		
Purchase of property and equipment, net	(272)	(297)
Investment in joint venture	(425)	(35)
Proceeds from partial sale of investment in joint venture	143	--
Dividend from joint venture	139	121
Purchase of interest in Ashurst Logistic Electronics Limited, net of cash acquired	--	(281)
Net cash used in investing activities	(415)	(492)
Cash Flows from Financing Activities:		
Repayments on line of credit	(65)	(150)
Borrowings on line of credit	200	97
Net cash provided by (used in) financing activities	135	(53)
Effect of foreign exchange rate changes on cash	7	(3)
Net decrease in cash and cash equivalents	(708)	(1,695)
Cash and cash equivalents at beginning of year	2,416	3,443
Cash and cash equivalents at December 31	$ 1,708	$ 1,748

1. Basis of Preparation and Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Hathaway Corporation, its wholly-owned subsidiaries and investments in joint ventures (the Company). All significant inter-company accounts and transactions have been eliminated in consolidation. Certain reclassifications have been made to prior year balances in order to conform with the current year's presentation.

The condensed consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission and include all adjustments which are, in the opinion of management, necessary for a fair presentation. Certain information and footnote disclosures normally included in financial statements which are prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures herein are adequate to make the information presented not misleading. The financial data for the interim periods may not necessarily be indicative of results to be expected for the year.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities as well as disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

It is suggested that the accompanying condensed interim financial statements be read in conjunction with the Consolidated Financial Statements and related Notes to such statements included in the June 30, 1999 Annual Report and Form 10-K previously filed by the Company.

2. Inventories

Inventories, valued at the lower of cost (first-in, first-out basis) or market, are as follows (in thousands):

	December 31, 1999	June 30, 1999
Parts and raw materials, net	$ 2,364	$ 2,227
Finished goods and work-in process, net	1,994	1,089
	$ 4,358	$ 3,316

3. Basic and Diluted Earnings Per Share

In accordance with Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share" (EPS), Basic and Diluted EPS have been computed as follows (in thousands, except per share data):

Basic EPS Computation	For the three months ended December 31, 1999	1998	For the six months ended December 31, 1999	1998
Numerator:				
Net income (loss)	$ 617	$ (346)	$ (104)	$ (1,653)
Denominator:				
Basic weighted average outstanding shares	4,283	4,283	4,283	4,283
Basic net income (loss) per share	$ 0.14	$ (0.08)	$ (0.02)	$ (0.39)

Basic EPS Computation	For the three months ended December 31, 1999	1998	For the six months ended December 31, 1999	1998
Numerator:				
Net income (loss)	$ 617	$ (346)	$ (104)	$ (1,653)
Denominator:				
Diluted weighted average outstanding shares	4,297	4,283	4,283	4,283
Diluted net income (loss) per share	$ 0.14	$ (0.08)	$ (0.02)	$ (0.39)

Stock options to purchase 885,004 and 839,704 shares were excluded from the calculation of diluted loss per share for the six months ended December 31, 1999 and the three and six months ended December 31, 1998, respectively, since the result would have been anti-dilutive.

4. Segment Information

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," requires disclosure of operating segments, which as defined, are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company operates in two different segments: Power and Process Business (Power and Process) and Motion Control Business (Motion Control). Management has chosen to organize the Company around these segments based on differences in products and services.

HATHAWAY CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following provide information on the Company's segments (in thousands):

	For the three months ended December 31,				For the six months ended December 31,			
	1999		1998		1999		1998	
	Power and Process	Motion Control	Power and Process	Motion Control	Power and Process	Motion Control	Power and Process	Motion Control
Revenues from external customers	$ 6,640	$ 4,511	$ 7,481	$ 3,058	$11,478	$ 8,578	$13,543	$ 6,114
Income (loss) before income taxes	35	721	(440)	70	(1,327)	1,346	(1,591)	(24)

	As of December 31, 1999		As of June 30, 1999	
	Power and Process	Motion Control	Power and Process	Motion Control
Identifiable assets	$ 10,523	$ 5,799	$ 9,232	$ 5,006

The following is a reconciliation of segment information to consolidated information:

	For the three months ended December 31,		For the six months ended December 31,	
	1999	1998	1999	1998
Segments' income (loss) before income taxes	$ 756	$ (370)	$ 19	$ (1,615)
Corporate activities	(61)	20	(87)	(37)
Consolidated income (loss) before income taxes	$ 695	$ (350)	$ (68)	$ (1,652)

	As of December 31, 1999	As of June 30, 1999
Segments' identifiable assets	$ 16,322	$ 14,238
Corporate assets and eliminations	606	2,160
Consolidated total assets	$ 16,928	$ 16,398

5. Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for reporting and displaying comprehensive income and its components. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners.

Comprehensive income (loss) is computed as follows (in thousands):

	For the three months ended December 31,		For the six months ended December 31,	
	1999	1998	1999	1998
Net income (loss)	$ 617	$ (346)	$ (104)	$ (1,653)
Translation adjustment	(60)	(80)	76	8
Comprehensive income (loss)	$ 557	$ (426)	$ (28)	$ (1,645)

6. Recently Issued Accounting Standards

In December 1999, the SEC Staff issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements". This Bulletin summarizes certain of the Staff's views in applying generally accepted accounting principles to selected revenue recognition issues. The effect, if any, of adopting most of the guidance included in the Bulletin should be accounted for as a change in accounting principle no later than the first fiscal quarter of the fiscal year beginning after December 15, 1999. The Company anticipates adopting such guidance in its fiscal quarter ending September 30, 2000. The Company is in the process of determining what impact, if any, this guidance will have on its revenue recognition.

HATAWAY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
OPERATION RESULTS AND FINANCIAL CONDITION

All statements contained herein that are not statements of historical fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause actual results to differ materially are the following: future financial performance may be impacted by the unavailability of sufficient capital on satisfactory terms to finance the Company's business plan, general business and economic conditions in the domestic and international markets, uncertainty in the viability of international markets, particularly the Asian market, and the impact of political unrest on market forces, the introduction of new technologies and competitors into the systems and instrumentation markets where the Company competes, uncertainties in acceptance of new products in the existing power and process market environment, increased competition and changes in competitor responses to the Company's products, further adverse changes in the regulatory environment, availability of qualified personnel, and others. In addition to statements that explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes," "expects," "plans," "anticipates," "intends" or "should" to be uncertain and forward-looking. All cautionary statements made herein should be read as being applicable to all related forward-looking statements wherever they appear. In this connection, investors should consider the risks described herein.

Operating Results

For the second quarter ended December 31, 1999, the Company recognized a net profit of $617,000, or $0.14 per share, compared to a net loss of $346,000, or $.08 per share, for the same period last year. Revenues increased 6% in the second quarter from $10,539,000 last year to $11,151,000 this year.

The Company recognized a net loss of $104,000, or $0.02 per share, for the six months ended December 31, 1999, compared to a net loss of $1,653,000, or $.39 per share, for the six months ended December 31, 1998. Revenues for the first six months increased by 2% from $19,657,000 in fiscal 1999 to $20,056,000 in fiscal 2000.

The 6% increase in revenues for the second quarter and the 2% increase in revenues for the first six months were due to an increase in revenues from the Motion Control segment (Motion Control), partially offset by a decrease in revenues in the Power and Process segment (Power and Process). Sales order backlog is up 42% this year to $18,854,000 at December 31, 1999 from $13,283,000 at December 31, 1998. Backlog for both Motion Control and Power and Process is greater at December 31, 1999 than at December 31, 1998.

Revenues from Motion Control for the second quarter increased 47% from $3,058,000 for the second quarter last year to $4,511,000 for the second quarter this year. Revenues for the six months increased 40% from $6,114,000 for the six months last year to $8,578,000 for the current six-month period. Pretax profit for Motion Control for the second quarter was $721,000 compared to $70,000 last year and, for the six months, pretax profit was $1,346,000 compared to a loss of $24,000 last year. The growth in Motion Control is a reflection of expansion into new markets and broader segments of existing markets.

Power and Process revenues decreased from $7,481,000 for the second quarter ended December 31, 1998 to $6,640,000 for the second quarter this year and from $13,543,000 for the six months last year to $11,478,000 for the same period this year. Power and process realized a pretax profit of $35,000 for the second quarter this year compared to a loss of $440,000 last year. For the six months, power and process had a pretax loss of $1,327,000 compared to a loss of $1,591,000 last year. The improvement in results is primarily due to the Company's success in marketing systems automation products to the deregulated power industry, the release of new products and the success of its Chinese joint venture investments. In addition, backlog for Power and Process orders has strengthened during the six months ended December 31, 1999.

Sales to international customers increased from $3,367,000 in the second quarter of the prior year, to $4,065,000 in the second quarter of the current year. In the first six months, sales to international customers decreased slightly from $6,606,000 in fiscal year 1999 to $6,553,000 in fiscal year 2000.

Foreign sales represented 36% of total sales in the quarter ended December 31, 1999 compared to 32% for the same quarter in fiscal year 1998 and 33% and 34% of total sales were foreign sales for the six months ended December 31, 1999 and 1998, respectively.

Cost of products sold as a percentage of revenues decreased from 63% in the second quarter of fiscal year 1999 to 60% in the second quarter of the current year. Cost of products sold as a percentage of revenues also decreased from 65% to 62% for the six months ended December 31, 1998 and 1999, respectively. The decrease in the cost of products sold as a percentage of revenues results primarily from Motion Control and is due to changes in the mix of products sold and absorption of fixed manufacturing costs by a larger sales volume.

Selling, general and administrative, and engineering and development expenses decreased 8% in the second quarter and 6% in the first six months, as compared to the same periods last year. The decreases were due to the overall cost reduction efforts of the Company.

During the first six months of fiscal year 2000, the Company recognized a portion of its share of equity income from its Chinese joint ventures. The amounts recognized were $100,000 and $200,000 in the quarter and six months ended December 31, 1999, respectively, as compared to $0 in the same periods last year. The amounts represent a portion of the joint ventures' expected annual results. The Company will revise its estimates of its share of equity in income (loss) from its joint ventures as necessary over the remainder of the fiscal year.

During the second quarter of the current year, the Company sold 3% of its investment in its Si Fang joint venture for $143,000 and recognized a $126,000 gain on the sale. The gain is included in other income in the statement of operations for the quarter and six months ended December 31, 1999. The Company reinvested the proceeds from the sale plus an additional $281,000 in cash which includes the dividends received during the quarter of $139,000. After the sale and capital contribution, the Company's ownership interest is 20%.

For the quarter ended December 31, 1999, the Company recognized a $78,000 provision for income taxes compared to a benefit of $4,000 for the same period last year. For the first six months this year, a benefit of $36,000 was recognized compared to $1,000 for the first six months last year. The amounts are based on projected taxable income and utilization of domestic net operating losses carried forward.

Liquidity and Capital Resources

The Company's liquidity position as measured by cash and cash equivalents (excluding restricted cash) decreased $708,000 during the first six months of fiscal 2000 to a balance of $1,708,000 at December 31, 1999, compared to a decrease of $1,695,000 in the first six months of fiscal 1999. In the first six months of fiscal 2000, $435,000 was used for operating activities, compared to $1,182,000 used in operations for the same period last fiscal year. The decreased use of cash was due to a decrease in net loss and release of restricted cash partially offset by fluctuations in working capital balances. Receivables increased $600,000 during the first six months of fiscal 2000 due to an increase in sales during the period. Inventories increased $1,042,000 due to additional inventory purchases made to fulfil the Company's increased backlog of orders and anticipated future orders.

Cash of $415,000 was used by investing activities in the first six months of fiscal 2000, compared to $457,000 used by investing activities last year. The variance was primarily due to the purchase of Ashurst Logistic Electronics Limited in the prior year offset by additional investment in a joint venture in the current year. Financing activities provided $135,000 in the first six months of fiscal 2000 compared to $53,000 used in fiscal 1999. The difference was due to smaller repayments and larger borrowings on the line of credit in the current year.

The Company's remaining fiscal 2000 working capital, capital expenditure and debt service requirements are expected to be funded from future cash flows from operations, the existing cash balance of $1,708,000 and the $1,557,000 available under the long-term financing agreement. The Company believes that such amounts are sufficient to fund operations and working capital needs for at least the next twelve months. The Company's long-term financing agreement with Silicon Valley Bank matures on May 7, 2000 but will continue for successive additional terms of one year unless either party gives notice of termination at least sixty days before the maturity date. The Company has not received notice of termination and does not anticipate receiving or giving such notice, however, if such notice was received, the Company would pursue other lenders to meet its long-term financing needs. Although the Company believes it would be successful in its efforts to obtain alternate financing, there are no assurances that it will be successful in doing so. An inability to obtain such alternate financing may have a material adverse effect on the Company's results of operations and financial condition and could require the Company to implement various strategic alternatives.

Year 2000 Compliance

In fiscal 1999, the Company adopted a "Y2K Readiness Program" and prepared for Year 2000 effects on the proper functioning of computer systems included in its products, software systems used in its business and items purchased from its suppliers. The Company has not experienced, and does not anticipate experiencing in the future, any Year 2000 related failures in its products. In addition there was no interruption in or failure of normal business activities or operations due to Year 2000 failures experienced in its internal systems, processes and facilities or from its key vendors, supplier or subcontractors nor are any anticipated in the future.

The Company's activities related to Year 2000 compliance were performed with internal resources. All payroll and associated costs related to the Year 2000 issue were expensed as incurred. Year 2000 activities did not delay other projects or materially impact the Company's business however, certain customers may have deferred purchases of certain power products due to their own Year 2000 concerns. With the Year 2000 rollover completed, the Company anticipates it will obtain any such deferred sales throughout the remainder of the fiscal year. The Company will continue to monitor whether it needs to further address any anticipated costs, problems and uncertainties associated with Year 2000 consequences.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its annual stockholders' meeting on October 28, 1999. The stockholders elected E.E. Prince, R.D. Smith, C.H. Clarridge, D.D. Hock, G.D. Hubbard and G.J. Pilmanis to serve on the Board of Directors for the coming year. The vote tabulation was as follows:

1) Election of Directors

Nominee	Number of Votes For	Witheld or Against	Total Shares Outstanding	% of Shares Voting For
E.E. Prince	3,508,850	343,807	4,283,463	82%
C.H. Clarridge	3,521,517	331,140	4,283,463	82%
D.D. Hock	3,511,944	340,713	4,283,463	82%
G.D. Hubbard	3,511,944	340,713	4,283,463	82%
G.J. Pilmanis	3,511,944	340,713	4,283,463	82%
R.D. Smith	3,511,944	340,713	4,283,463	82%

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

13. Annual Report containing Notes to Consolidated Financial Statements in the Registrant's June 30, 1999 Annual Report to Stockholders. *

27. Financial Data Schedule.

* This document was filed with the Securities and Exchange Commission and is incorporated herein by reference.

(b) Reports on Form 8-K
There were no reports on Form 8-K filed in the three months ended December 31, 1999.

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.

HATHAWAY CORPORATION

DATE: February 14, 2000

By: /s/ Richard D. Smith
President, Chief Executive Officer
and Chief Financial Officer

5
1,000

3-MOS	6-MOS
JUN-30-2000	JUN-30-2000
OCT-01-1999	JUL-01-1999
DEC-31-1999	DEC-31-1999
1,916	1,916
0	0
7,500	7,500
481	481
4,358	4,358
14,270	14,270
9,215	9,215
7,647	7,647
16,928	16,928
7,640	7,640
0	0
0	0
0	0
100	100
9,188	9,188
16,926	16,926
11,151	20,056
11,151	20,056
6,736	12,499
6,736	12,499
0	0
24	46
36	71
695	(88)
(78)	(36)
617	(104)
0	0
0	0
0	0
617	(104)
0.14	(0.02)
0.14	(0.02)

PRESENTED GROSS