FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1995-06-13** | Period of Report: **1995-04-30**
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FILER

WASTE TECHNOLOGY CORP

CIK:**781902**| IRS No.: **132842053** | State of Incorp.:**DE** | Fiscal Year End: **1031**
Type: **10QSB** | Act: **34** | File No.: **000-14443** | Film No.: **95546708**
SIC: **3569** General industrial machinery & equipment, nec

Mailing Address
5400 RIO GRANDE AVENUE
JACKSONVILLE FL 32254

Business Address
5400 RIO GRANDE AVENUE
JACKSONVILLE FL 32254
9043555558

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)
X Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended April 30, 1995

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 0-14443

WASTE TECHNOLOGY CORP.
(Exact Name of Small Business Issuer as Specified in its Charter)

Delaware	13-2842053
(State or Other Jurisdiction of Organization)	(I.R.S. Employer Incorporation or Identification No.)

5400 Rio Grande Avenue
Jacksonville, Florida 32254

(Address of Principal Executive Offices) (Zip Code)

(904) 355-5558

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether 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, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

At April 30, 1995, Registrant had outstanding 1,931,551 shares of its Common Stock.

Transitional small business disclosure format check one:

Yes No X

WASTE TECHNOLOGY CORP.

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WASTE TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	04/30/95 Unaudited	10/31/94
ASSETS		
Current Assets:		
Cash and cash equivalents	$516,308	$499,199
Marketable securities	607	607
Accounts receivable, net of allowance for doubtful accounts of $36,447	1,656,469	1,221,163
Inventories	1,468,450	1,319,126
Prepaid expense and sundry current assets	16,467	82,590
Notes receivable, other	-	-
Total current assets	3,658,301	3,122,685
Investment	-	25,000
Property, plant and equipment at cost	1,376,205	1,362,515
Less: accumulated depreciation	824,541	783,324
Net property, plant & equipment	551,664	579,191
Real estate held for sale	204,114	214,889
Other assets:		
Loan to joint venture, including accrued interest	99,840	99,840
Goodwill, net of accumulated amortization of $20,043 and $17,933 at 04/30/95 and 10/31/94	64,346	66,456
Non-competition covenants, net of accumulated amortization of $29,173 and $25,005 at 04/30/95 and 10/31/94 respectively	9,694	13,862
Other intangible & sundry assets, net	157,599	146,017
Notes receivable - director & legal counsel	434,898	425,052
Total other assets	766,377	751,227
TOTAL ASSETS	$5,180,456	$4,692,992

WASTE TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	04/30/95 Unaudited	10/31/94
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$404,059	$248,147
Accounts payable	333,017	263,555
Accrued liabilities	468,430	452,063
Customer deposits	212,730	57,633
Notes payable	-	50,000
Total current liabilities	1,418,236	1,071,398
Accrued legal fees - non-current	434,898	425,052
Long-term debt	323,333	609,621
Capital lease obligation	-	-
Minority interest in equity of subsidiary	472,754	429,684
Total liabilities	2,649,221	2,535,755
Stockholders' equity		
Common stock, par value $.01		

25,000,000 shares authorized;		
2,263,314 shares issued and outstanding	22,634	22,634
Preferred stock, par value $.0001,		
10,000 shares authorized, none issued		
Additional paid-in capital	5,574,995	5,574,995
Accumulated deficit	(2,439,153)	(2,823,482)
	3,158,476	2,774,147
Less: Treasury stock, 331,763 shares at cost	419,306	419,306
Less: Note receivable from shareholder	207,935	197,604
Total stockholders' equity	2,531,235	2,157,237
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$5,180,456	$4,692,992

WASTE TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
UNAUDITED

Three months ended:	04/30/95	04/30/94
Net Sales	$2,828,650	$2,063,111
Cost of Sales	1,849,447	1,245,159
Gross Profit	979,203	817,952
Operating Expenses:		
Selling	227,708	215,189
General and Administrative	326,174	220,720
Total operating expenses	553,882	435,909
Operating Income	425,321	382,043
Other Income (Expenses):		
Interest and Dividends	12,395	18,413
Net gain on Disposal of Fixed Assets	(600)	-
Other Income	13,159	11,323
Charge for discontinued operations	-	-
Interest Expense	(49,323)	(21,798)
Other Expense	(25,175)	-
Total Other Income (Expenses)	(49,544)	7,938
Less minority interest in income of consolidated subsidiary	39,807	51,498
Income before income taxes	335,970	338,483
Income taxes	12,000	18,373
NET INCOME (LOSS)	323,970	320,110
Earnings (loss) per share		
Net income	0.16	0.16
Average number of shares outstanding	1,931,551	1,931,551

WASTE TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
UNAUDITED

Six months ended:	04/30/95	04/30/94
Net Sales	$4,674,475	$3,985,133
Cost of Sales	3,102,632	2,481,386
Gross Profit	1,571,843	1,503,747
Operating Expenses:		
Selling	435,727	397,610

General and Administrative	639,789	615,869
Total operating expenses	1,075,516	1,013,479
Operating Income	496,327	490,268
Other Income (Expenses):		
Interest and Dividends	26,371	19,472
Net gain on Disposal of Fixed Assets	618	-
Other Income	25,841	13,920
Charge for discontinued operations	-	-
Interest Expense	(81,583)	(48,661)
Other Expense	(25,175)	-
Total Other Income (Expenses)	(53,928)	(15,269)
Less minority interest in income of consolidated subsidiary	43,070	57,187
Income before income taxes	399,329	417,812
Income taxes	15,000	29,067
NET INCOME (LOSS)	384,329	388,745
Earnings (loss) per share		
Net income	0.19	0.19
Average number of shares outstanding	1,931,551	1,931,551

WASTE TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
for the six months ended April 30, 1995

<TABLE>
<CAPTION>

	Common Stock Par Value $.01 Authorized 25,000,000 Shares				Treasury Stock			
	NUMBER OF SHARES ISSUED	PAR VALUE	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	NUMBER OF SHARES	COST	OTHER	TOTAL STOCKHOLDERS' EQUITY
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at October 31, 1993	2,248,314	22,484	5,551,145	(3,536,394)	331,763	(419,306)	(158,231)	1,459,698
Issuance of 15,000 shares of common stock	15,000	150	23,850	-	-	-	-	24,000
Adjustment of Note Receivable from shareholder as a reduction of stockholder's Equity	-	-	-	-	-	-	(39,373)	(39,373)
Net income	-	-	-	712,912	-	-	-	712,912
Balance at October 31, 1994	2,263,314	$ 22,634	$5,574,995	$(2,823,482)	331,763	$(419,306)	$(197,604)	$2,157,237
Adjustment of Note Receivable from shareholder as a reduction of stockholder's equity							(10,331)	(10,331)
Net income	-	-	-	384,329	-	-	-	384,329
Balance at April 30, 1995	2,263,314	$ 22,634	$5,574,995	$(2,439,153)	331,763	$(419,306)	$(207,935)	$2,531,235

</TABLE>

WASTE TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW

For The Three Months Ended	04/30/95	04/30/94
Cash flow from operating activities:		
Net income (loss)	323,970	320,110

Adjustments to reconcile net income to net cash provided by operating activities:		
Items not requiring (providing) cash included in income:		
Depreciation and amortization	28,639	22,588
Minority interest in income of subsidiary	39,807	51,498
Changes in operating asssets and liabilities:		
(Increase)/decrease in accounts receivable	(435,202)	(368,473)
(Increase)/decrease in inventories	(6,445)	(202,266)
(Increase)/decrease in prepaid expenses	16,193	(103,510)
(Increase)/decrease in other assets	(12,592)	(4,133)
Increase/(decrease) in accounts payable	(73,370)	375,419
Increase/(decrease) in accrued liabilities	105,970	(11,312)
Increase/(decrease) in customer deposits	27,183	(31,960)
Total adjustments	(309,817)	(272,149)
Net cash (used in) operating activities	14,153	47,961
Cash flows from investing activities:		
(Additions) decreases in fixed assets	(5,888)	(18,987)
Increase/(Decrease) in marketable securities	-	-
Net cash provided by investing activities	(5,888)	(18,987)
Cash flows from financing activities:		
Increase/(decrease) in officer loans	0	(9,840)
Increase/(decrease) in long-term liabilities	(51,465)	(67,291)
Cash flows provided by (used in) financing activities	(51,465)	(77,131)
Net increase (decrease) in cash	(43,200)	(48,157)
Cash and cash equivalents at beginning of period	559,508	221,682
Cash and cash equivalents at end of period	516,308	173,525
Supplemental schedule of disclosure of cash flow information		
Cash paid during period for:		
Interest	21,650	24,578
Income taxes	0	0

WASTE TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW

For The Six Months Ended	04/30/95	04/30/94
Cash flow from operating activities:		
Net income (loss)	384,329	388,745
Adjustments to reconcile net income to net cash provided by operating activities:		
Items not requiring (providing) cash included in income:		
Depreciation and amortization	57,278	46,008
Minority interest in income of subsidiary	43,070	57,187
Changes in operating asssets and liabilities:		
(Increase)/decrease in accounts receivable	(435,306)	(325,347)
(Increase)/decrease in inventories	(149,324)	(309,177)
(Increase)/decrease in prepaid expenses	66,123	(62,247)
(Increase)/decrease in other assets	4,017	(11,834)
Increase/(decrease) in accounts payable	69,462	627,360
Increase/(decrease) in accrued liabilities	26,213	(86,880)
Increase/(decrease) in customer deposits	155,097	(224,001)
Total adjustments	(163,370)	(288,931)
Net cash (used in) operating activities	220,959	99,814
Cash flows from investing activities:		
(Additions) decreases in fixed assets	(23,474)	(47,272)
Increase/(Decrease) in marketable securities	-	-

Net cash provided by investing activities	(23,474)	(47,272)
Cash flows from financing activities:		
Increase/(decrease) in officer loans	(50,000)	(9,728)
Increase/(decrease) in long-term liabilities	(130,376)	(67,291)
Cash flows provided by (used in) financing activities	(180,376)	(77,019)
Net increase (decrease) in cash	17,109	(24,477)
Cash and cash equivalents at beginning of period	499,199	198,002
Cash and cash equivalents at end of period	516,308	173,525
Supplemental schedule of disclosure of cash flow information		
Cash paid during period for:		
Interest	43,772	48,572
Income taxes	40,000	12,572

WASTE TECHNOLOGY CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ACCOUNTING POLICIES:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its wholly owned and majority owned subsidiaries. Intercompany balances and material intercompany transactions have been eliminated in consolidation.

Description of the Business

The Company is a manufacturer of baling machines which utilize mechanical, hydraulic and electrical mechanisms to compress a variety of waste materials into bales. The Company's customers include plastic recycling facilities, paper mills, textile mills, tire manufacturers and paper recycling facilities throughout the United States, the Far East and South America.

Minority Interest

The Company owns 85.8% of the outstanding shares of the

subsidiary International Baler Corp. as of April 30, 1995. The parent company theory has been applied in the presentation of the minority interest. Under the parent company theory, minority interest is separately stated as a liability on the consolidated balance sheet at an amount equal to the minority ownership percentage of the book value of the subsidiary's net assets. The minority interest in the consolidated income statement is equal to the minority ownership percentage of the subsidiary's realized net income or loss.

Inventories

Inventories of the subsidiaries are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Depreciation

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight line method for financial reporting and accelerated ACRS and MACRS method for income tax purposes. There is no material timing difference affecting the income statement or balance sheet and therefore no deferred tax credits or charges have been accrued.

Cash and Equivalents

The Company considers all highly liquid investments owned with an original maturity of three months or less when purchased to be a cash equivalent.

Goodwill

Goodwill represents the excess of the cost of acquiring the net assets of Solid Waste and Recovery Systems, Inc. (Solid Waste) over the fair value of the net assets acquired (using the purchase method) at date of acquisition in 1990, and is being amortized on the straight-line method over a period of 20 years.

Patents

Patents and patent rights are being amortized over a 17-year period using the straight-line method, and are carried at cost, less accumulated amortization. Amortization charged to operations for the three months ended April 30, 1995 and 1994 was $512 in each period.

Unamortized Noncompetition Covenant

In 1990, The Company paid $50,000 to the previous owner of Solid Waste (Ted C. Flood, the President of the Company). The

covenant is being amortized over six years.

NOTE 2 - LOAN AND NOTES RECEIVABLE - OFFICER AND DIRECTOR:

The Company had advanced $698,527 of which $487,039 was reserved by the Company, to Leslie N. Erber, its former Chairman and President. During 1993, Mr. Erber returned his 171,341 shares of Waste Technology stock and 163,450 shares of IBC stock in return for forgiveness of his outstanding balance. The shares received have been recorded as treasury shares.

On April 12, 1990, four individuals, including Leslie N. Erber, Chairman of the Board and President of the Company and Morton S. Robson, Secretary and Director of the Company entered into an agreement with a group of dissident shareholders to purchase an aggregate of 294,182 shares at a purchase price of $1.00 per share. Leslie N. Erber and Morton S. Robson each purchased 134,591 shares of common stock and the other two individuals purchased an aggregate of 25,000 shares.

On July 15, 1991 the purchase of shares was finalized by the payment to the selling shareholders of the balance of the purchase price plus accrued interest. The financing of the transaction was paid with funds borrowed from the Company with the unanimous approval of the Company's Board of Directors. The four individuals executed promissory notes in favor of the Company payable in three

annual installments due July 15, 1992-1994 plus accrued interest from July 15, 1991 at the rate of 9% per annum. Mr. Erber's promissory note was satisfied as described above. The Company has extended the initial installment date to July 15, 1995. The debt is collateralized by a lien on the 104,591 shares of the Company's common stock and a guarantee by Robson & Miller. In June 1992, 100,000 collateralized shares were sold for $2 per share and the officers applied the proceeds to their respective principal balances.

The following represents an analysis of the notes receivable and accrued interest at April 30, 1995:

	Principal	Accrued Interest	Total Note	Net Reserve	Total
Morton S. Robson	$448,364	$194,469	$642,833	$ -	$642,833
Howard Bodner	25,000	12,594	37,594	37,594	-
Jordon Erber	25,000	12,594	37,594	37,594	-
	$498,364	$219,657	$718,021	$75,188	$642,833

The Company expects that a primary source for repayment of the above notes will be from the sale of the collateralized shares of the Company stock.

The notes receivable from Mr. Robson are presented as long-term assets to the extent the Company owes accrued legal fees to Robson & Miller. The excess of notes receivable from Mr. Robson over amounts owed his law firm are presented as a reduction of equity.

NOTE 3 - INVENTORIES:

Inventories consisted of:

April 30, 1995

Raw materials	$ 876,539
Work in process	402,579
Finished goods	189,332

	$1,468,450

NOTE 4 - OTHER INVESTMENTS:

Real Estate Venture

In December 1990, the Company formed a wholly-owned subsidiary, Waste Tech Real Estate Corp. ("WT Real Estate"), for the purpose of having that corporation enter into a joint venture with a non-affiliated company, Rock-Tech Realty Corp. ("RT"), to

purchase a parcel of land in Far Rockaway, Queens, New York and to build residential single family homes on the property. RT had previously entered into a contract to purchase the property for $625,000, with $50,000 being paid on the execution of the contract and the balance to be paid $200,000 on closing and $375,000 by a purchase money mortgage to the seller. RT has assigned the contract to the joint venture.

WT Real Estate has a twenty-one (21%) percent interest in the profits and losses of the joint venture. As of october 31, 1994, the Company had committed to fund up to $175,000 for its share of loans and loaned the sum of $166,980 to the joint venture on behalf of WT Real Estate. Management states that it does not believe that it will be required to advance funds in excess of such commitment. WT Real Estate has a mortgage lien on the property as collateral for all sums it advances to the joint venture except that mortgage shall be subordinated to any purchase money mortgage or construction loan mortgage. The Company is to receive interest at 10% per annum. As of April April 30, 1995 accrued interest in the amount of $51,032 is included in the total of $218,012. The Company has established a reserve of $118,172 as an estimate for potential uncollectible amounts.

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT:

The following is a summary of property, plant and equipment - at cost, less accumulated depreciation:

Land	$ 75,000
Buildings and improvements	544,967
Machinery and equipment	599,266
Vehicles	156,972

	$1,376,205
Less: accumulated depreciation	824,541

	$ 551,664

Depreciation expense charged to operations in the Second Quarter was $25,500 and $23,100 in 1995 and 1994, respectively.

NOTE 6 - NOTES PAYABLE-OFFICER AND OTHER:

A note was issued by Waste Technology to the father of the former owner of Ram and Eagle on August 10, 1991 in consideration of a loan in the amount of $150,000 carrying interest at 10% per annum, due November 10, 1991. In addition, 750 shares of stock were issued to the father of the former owner as additional consideration, which was treated as interest expense by the Company. On January 10, 1992, this Note was reduced to $100,000 due on March 10, 1992. On June 10, 1992, accrued interest was added to principal increasing the note to $103,500. The balance of

the note at October 31, 1994 was $50,000 and was paid in full during the First Quarter 1995.

NOTE - 7 LONG-TERM DEBT:

Long-term debt consists of the following at April 30, 1995:

Term note payable to bank, at prime rate

plus 1%, due in equal monthly installments of $15,833, plus interest, through November 1, 1997	$513,333
Note payable to bank, at prime rate plus 2.5%, due in equal monthly installments of $4,000, including interest, due in January 1996, collateralized by real estate with a net book value of $204,114	205,579
Present value of minimum capital lease obligation, net of $303 interest, due in 1995	8,480
	727,392
Current maturities	404,059
	$323,333

The Term Note contains certain covenants for which the Company must, among other things, maintain specified levels of tangible net worth and working capital, and maintain a specified ratio of debt to tangible net worth and current ratio. The Company met the required covenants during 1994 and 1995 to date.

The Company has pledged substantially all of its assets as collateral under the term loan agreement.

Maturities of debt are as follows:

Period Ending April 30,	Aggregate Obligation
1995	$404,059
1996	190,000
1997	133,333
Total	$727,392

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS:

Litigation

The Company is a defendant in a wrongful death action, whereby

the complaint alleges that the plaintiff's decedent was injured while operating a baling machine during his employment and he died as a result of those injuries. Although the Company believes that it has no liabilities since the baler was sold many years ago, was modified by third parties without the knowledge of the Company and was improperly operated, it is not possible, at this time to preclude, absolutely, the possibility of a large award against the Company.

There are various other litigation proceedings in which the Company is involved. Any liability which the Company may have under many of these proceedings is covered by insurance. The results of other litigation proceedings cannot be predicted with certainty, however, the Company believes that the results of any litigation will not have a material adverse effect on the Company's financial condition.

Other

The Company has an employment agreement with its President and

Treasurer for a term of five years commencing on August 1, 1993 and ending August 1, 1998. Annual Compensation pursuant to the contract is $100,627, increased 5% per year for the years 1995 to 1998.

NOTE - 9 RELATED PARTY TRANSACTIONS:

The income statement includes interest income on officer and director notes receivable of $10,089 and $9,960 for the Second Quarter 1995 and 1994, respectively.

An officer and director is a partner in the law firm providing legal services to the Company and as of April 30, 1995 the Company is indebted in the amount of $434,898 to this firm, including interest.

NOTE 10 - NET EARNINGS PER COMMON AND COMMON EQUIVALENT SHARES:

Net earnings per common and common equivalent share are calculated using the weighted average number of common shares outstanding during each year and on the net additional number of shares which would be issuable upon the exercise of stock options, assuming that the Company used the proceeds received to purchase additional shares at market value.

NOTE 11 - STOCK OPTIONS:

The Company has reserved 500,000 shares of common stock for potential issuance to key employees, including officers and directors. The exercise price of each option may not be less than 100% of the fair market value on the date of grant and not less

than 110% of the fair market value in the case of optionee who at the time of the grant owns more than 10% of the total combined voting power of the Company.

Additionally, in March 1994 and February 1993, the Board of Directors granted 275,000 and 350,000 non-qualified stock options, respectively, to purchase 275,000 and 350,000 shares, respectively, of the Company's common stock at $1 per share. The stock options granted are not to be subject to the Company's stock option plan. The options issued in March 1994 were for key employees. Of the 350,000 options, 100,000 shares were issued to directors and the remaining 250,000 options were granted to the Company's general counsel and director for consideration for his firm's forbearing payment of outstanding legal fees. The options granted the right to purchase shares of the Company's common stock at a price of $1 per share, the market value of the Company's common stock at the date of the grant. The options have antidilutive rights in the event of a split, reversal split, or recapitalization and are exercisable in whole or in part through March 2004 and September 1,

2002, respectively. The options or shares purchased thereunder may be registered pursuant to the Securities Act of 1933.

On December 10, 1993, the Board of Directors issued 15,000 shares of common stock and granted 65,000 options to a creditor in satisfaction of a liability. The options are exercisable at $1 5/8, the market value of the Company's stock at the date of the grant, and vested upon issuance. The options have antidilutive rights in the event of a split, reverse split, or recapitalization and are exercisable in whole or in part through December 1998. The Company recognized expense of $24,375 associated with this transaction.

NOTE 12 - EMPLOYEES' BENEFIT PLAN:

The Company instituted a profit sharing plan for its employees in 1989 by contributing 375,000 shares of its stock to the trust, having a fair market value of $165,000 on the transfer date. No contributions by the Company were made in fiscal 1994 or 1993.

NOTE 13 - UNAUDITED FINANCIAL STATEMENTS:

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month periods ended April 30, 1995 are not necessarily indicative of the results that may be expected for the year ending October 31, 1995. For further information, refer to the consolidated financial statements and footnotes thereto contained herein.

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

RESULTS OF OPERATIONS

Three Month Comparisons

For the Second Quarter of fiscal 1995, the Company had consolidated Net Sales of $2,828,650 as compared to $2,063,111 for the corresponding quarter of the prior year, a increase of 37.1%.

For the Second Quarter of fiscal 1995, the Company had consolidated Net Income of $323,970 as compared to profit of

$320,110 for the corresponding quarter of the prior year. Net Income per share was $.16 for the Second Quarter of fiscal 1995 and 1994.

Gross profit as a percentage of Net Sales decreased from 39.6% to 34.6% for the corresponding Second Quarter. The Gross Profit Margin variance is due primarily to a quarterly inventory adjustment in the prior year, which did not affect the inventory balance for the full year.

Six Month Comparisons

Net Sales increased by 17.3% from $3,985,133 in 1994 to $4,674,475 for the same period in 1995.

Gross profit margins decreased from 37.7% in fiscal 1994 to 33.6% in fiscal 1995.

For the first six months of fiscal 1995 Net Income was $384,329, which was approximately the same as the Net Income of $388,745 in the same period 1994. Net Income per share was $.19 for both the first half of 1995 and 1994.

Financial Condition

Working capital increased from $1,887,000 in the Second Quarter and from $2,051,000 at the end of the prior Fiscal year to $2,240,000.

The Company continues to generate sufficient cash from its operations to meet its operating capital needs and service its debt. During fiscal 1994 the Company refinanced its loan obligation to First Performance Bank in Jacksonville, Florida with an agreement with SouthTrust Bank. This loan is payable in equal installments of $15,883 plus interest through November 1, 1997. All assets of the Company are pledged as security for the repayment of this note. The balance of this loan has decreased from $760,000 to $513,333 at the end of the Second Quarter 1995.

The Company is in the process of building an additional manufacturing facility in Baxley, Georgia. This facility will be located on eight acres of land and be approximately 60,000 square feet. Management for this operation has been hired and production is anticipated to begin in September 1995. Financing for this project will be from current cash reserves, an additional line of credit of $1,000,000, and a mortgage loan on the building.

Other than as set forth above, there are no unusual or infrequent events of transactions or significant economic changes which materially affect the amount of reported income from continuing operations.

Inflation

The costs of the Company and its subsidiaries are subject to the general inflationary trends existing in the general economy. The Company believes that expected pricing by its subsidiaries for balers will be able to include sufficient increases to offset any increase in costs due to inflation.

PART II-OTHER INFORMATION

None.

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 undersigned hereto duly authorized.

Dated: June 8, 1995 WASTE TECHNOLOGY CORPORATION

BY: /s/ Ted C. Flood

Ted C. Flood, President
(Chief Executive Officer)

BY: /s/ William E. Nielsen

William E. Nielsen
Chief Financial Officer
(Principal Financial and
Accounting Officer)

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	OCT-31-1995
<PERIOD-START>	FEB-1-1995
<PERIOD-END>	APR-30-1995
<CASH>	516,308
<SECURITIES>	607
<RECEIVABLES>	1,692,916
<ALLOWANCES>	36,447
<INVENTORY>	1,468,450
<CURRENT-ASSETS>	3,658,301
<PP&E>	1,376,205
<DEPRECIATION>	824,541
<TOTAL-ASSETS>	5,180,456
<CURRENT-LIABILITIES>	2,649,221
<BONDS>	323,333
<COMMON>	22,634
<PREFERRED-MANDATORY>	0
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<OTHER-SE>	2,508,601
<TOTAL-LIABILITY-AND-EQUITY>	5,180,456
<SALES>	4,674,475
<TOTAL-REVENUES>	4,674,475
<CGS>	3,102,632
<TOTAL-COSTS>	4,178,148
<OTHER-EXPENSES>	15,415
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	81,583
<INCOME-PRETAX>	399,329
<INCOME-TAX>	15,000
<INCOME-CONTINUING>	384,329
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	384,329
<EPS-PRIMARY>	.19
<EPS-DILUTED>	.17

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