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

FORM 10-Q

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

For Quarter Ended February 28, 1998

Commission file number 1-9532

AUDIOVOX CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	13-1964841
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
150 Marcus Blvd., Hauppauge, New York	11788
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (516) 231-7750

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

Number of shares of each class of the registrant's Common Stock outstanding as of the latest practicable date.

Class	Outstanding at April 7, 1998
Class A Common Stock	17,258,573 Shares
Class B Common Stock	2,260,954 Shares

AUDIOVOX CORPORATION

I N D E X

AUDIOVOX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	FEBRUARY 28, 1998 (UNAUDITED)	NOVEMBER 30, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,427	$ 9,445
Accounts receivable, net	78,705	104,698
Inventory, net	125,809	105,242
Receivable from vendor	9,000	5,000
Prepaid expenses and other current assets	11,410	9,230
Deferred income taxes	5,147	4,673
Equity collar	--	1,246
Total current assets	235,498	239,534
Investment securities	27,950	22,382
Equity investments	10,657	10,693
Property, plant and equipment, net	8,819	8,553
Excess cost over fair value of assets acquired and other intangible assets, net	5,529	5,557
Other assets	2,784	3,108
	$ 291,237	$ 289,827
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 17,566	$ 24,237
Accrued expenses and other current liabilities	13,508	16,538
Income taxes payable	5,156	9,435
Bank obligations	4,166	6,132
Documentary acceptances	4,809	3,914
Total current liabilities	45,205	60,256
Bank obligations	33,800	24,300
Deferred income taxes	11,061	8,505
Long-term debt	6,231	6,191
Total liabilities	96,297	99,252
Minority interest	2,677	2,683
Stockholders' equity:		
Preferred stock	2,500	2,500
Common stock:		
Class A; 30,000,000 authorized; 17,253,533 issued	173	173
Class B; 10,000,000 authorized; 2,260,954 issued	22	22
Paid-in capital	145,178	145,155
Retained earnings	34,565	32,924
Cumulative foreign currency translation and adjustment	(3,961)	(3,428)
Unrealized gain on marketable securities, net	15,646	12,967
Gain on hedge of available-for-sale securities	929	--
Treasury stock, 340,000 Class A common stock, at cost	(2,789)	(2,421)
Total stockholders' equity	192,263	187,892
Commitments and contingencies		
Total liabilities and stockholders' equity	$ 291,237	$ 289,827

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

AUDIOVOX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED FEBRUARY 28, 1998 AND 1997
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	1998 (UNAUDITED)	1997 (UNAUDITED)
Net sales	$ 120,974	$ 166,614
Cost of sales	98,715	138,612
Gross profit	22,259	28,022
Operating expenses:		
Selling	8,290	11,701
General and administrative	8,422	8,919
Warehousing, assembly and repair	3,012	2,866
Total operating expenses	19,724	23,486
Operating income	2,535	4,516
Other income (expense):		
Debt conversion expense	--	(12,686)
Interest and bank charges	(846)	(916)
Equity in income of equity investments	406	146
Management fees and related income	7	47
Gain on sale of equity investment	--	23,779
Other, net	134	442
Total other income (expense)	(299)	10,812
Income before provision for income taxes	2,236	15,328
Provision for income taxes	597	11,125
Net income	$ 1,639	$ 4,203
Net income per common share (basic)	$ 0.09	$ 0.24
Net income per common share (diluted)	$ 0.09	$ 0.23
Weighted average number of common shares outstanding (basic)	19,192,431	17,666,945
Weighted average number of common shares outstanding (diluted)	19,494,126	18,517,988

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

AUDIOVOX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED FEBRUARY 28, 1998 AND 1997
(IN THOUSANDS)

	1998 (UNAUDITED)	1997 (UNAUDITED)
Cash flows from operating activities:		
Net income	$ 1,639	$ 4,203
Adjustment to reconcile net income to net cash (used in) provided by operating activities:		
Debt conversion expense	--	12,386
Depreciation and amortization	455	437
Recovery of bad debt	(73)	(16)
Equity in income of equity investment	(329)	(795)
Minority interest	(111)	265
Gain on sale of equity investment	--	(23,779)
Recovery of deferred income taxes, net	(132)	(2,433)
Provision for unearned compensation	48	69
Gain on disposal of property, plant and equipment, net	(7)	(3)
Change in:		
Accounts receivable	25,504	26,745
Inventory	(20,930)	(3,400)
Accounts payable, accrued expenses and other current liabilities	(9,308)	(6,075)
Receivable from vendor	(4,000)	(10,876)
Income taxes payable	(4,124)	10,818
Prepaid expenses and other, net	(2,079)	(4,196)
Net cash (used in) provided by operating activities	(13,447)	3,350
Cash flows from investing activities:		
Net proceeds from sale of equity collar	1,499	--
Purchases of property, plant and equipment, net	(691)	(1,103)
Net proceeds from sale of investment securities	--	30,182
Proceeds from distribution from equity investment	350	--
Net cash provided by investing activities	1,158	29,079
Cash flows from financing activities:		
Net borrowings (repayments) under line of credit agreements	7,743	(29,089)
Net borrowings (repayments) under documentary acceptances	895	(836)
Debt issuance costs	--	(13)
Repurchase of Class A Common Stock	(369)	--
Net cash provided by (used in) financing activities	8,269	(29,938)
Effect of exchange rate changes on cash	2	(22)
Net (decrease) increase in cash and cash equivalents	(4,018)	2,469
Cash and cash equivalents at beginning of period	9,445	12,350
Cash and cash equivalents at end of period	$ 5,427	$ 14,819

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

AUDIOVOX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED FEBRUARY 28, 1998 AND FEBRUARY 28, 1997

(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

(1) The accompanying consolidated financial statements were prepared in accordance with generally accepted accounting principles and include all adjustments (which include only normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the consolidated financial position of Audiovox Corporation and subsidiaries (the Company) as of February 28, 1998 and November 30, 1997 and the results of operations and consolidated statements of cash flows for the three-month periods ended February 28, 1998 and February 28, 1997. The interim figures are not necessarily indicative of the results for the year.

Accounting policies adopted by the Company are identified in Note 1 of the Notes to Consolidated Financial Statements included in the Company's 1997 Annual Report filed on Form 10-K.

(2) The following is supplemental information relating to the consolidated statements of cash flows:

	Three Months Ended	
	February 28, 1998	February 28, 1997
Cash paid during the period:		
Interest (excluding bank charges)	$ 496	$1,701
Income taxes	$3,973	$2,783

As of February 28, 1998, the Company recorded an unrealized holding gain relating to available-for-sale marketable securities, net of deferred taxes, of $15,646 as a separate component of stockholders' equity.

During the first quarter of 1998, the Company sold its equity collar for $1,499. The transaction resulted in a net gain on hedge of available-for-sale securities of $929 which is reflected as a separate component of stockholders' equity.

(3) In June 1997, the Financial Accounting Standards Board (FASB) issued Statement No. 130, "Reporting Comprehensive Income", effective for fiscal years beginning after December 15,

1997. This Statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. This Statement further requires that an entity display an amount representing total comprehensive income for the period in that financial statement. This Statement also requires that an entity classify items of other comprehensive income by their nature in a financial statement. For example, other comprehensive income may include foreign currency items and unrealized gains and losses on investments in equity securities. Reclassification of financial statements for earlier periods, provided for comparative purposes, is required. Based on current accounting standards, this Statement is not expected to have a material impact on the Company's consolidated financial statements. The Company will adopt this accounting standard effective December 1, 1998, as required.

In June 1997, the FASB issued Statement 131, "Disclosures about Segments of an Enterprise and Related Information", effective for fiscal years beginning after December 15, 1997. This Statement establishes standards for reporting information about operating segments in annual financial statements and requires selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas and major customers. Operating segments are defined as 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. This Statement requires reporting segment profit or loss, ceratin specific revenue and expense items and segment assets. It also requires reconciliations of total segment revenues, total segment profit or loss, total segment assets, and other amounts disclosed for segments to corresponding amounts reported in the consolidated financial statements. Restatement of comparative information for earlier periods presented is required in the initial year of application. Interim information is not required until the second year of application, at which time comparative information is required. The Company has not determined the impact that the adoption of this new accounting standard will have on its consolidated financial statements disclosures. The Company will adopt this accounting standard in fiscal 1999, as required.

(4) During the second quarter of 1997, the Company's Board of Directors approved the repurchase of 1,000,000 shares of the Company's Class A Common Stock in the open market under a share repurchase program (the Program). As of February 28, 1998, 340,000 shares were repurchased under the Program at an average price of $8.20 per share for an aggregate amount of $2,789.

(5) 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 the 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.

(6) In February 1997, the FASB issued Statement No. 128, "Earnings per Share" (Statement 128). Statement 128 replaces the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Basic earnings per share excludes any dilution. It is based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock. Earnings per share amounts for all periods presented have been restated to conform to the new presentation. A reconciliation between the numerators and denominators of the basic and diluted earnings per common share is as follows:

	1998	1997
Net income (numerator for basic earnings per share)	$ 1,639	$ 4,203
Interest on 6 1/4% convertible subordinated debentures, net of tax	21	122
Adjusted net income (numerator for diluted earnings per share)	$ 1,660	$ 4,325
Weighted average common shares (denominator for basic earnings per share)	19,192,431	17,666,945
Effect of dilutive securities:		
6 1/4% convertible subordinated debentures	128,192	749,902
Employee stock options and stock warrants	106,706	36,803
Employee stock grants	66,797	64,338
Weighted average common and potential common shares outstanding (denominator for diluted earnings per share)	19,494,126	18,517,988
Basic earnings per share	$ 0.09	$ 0.24
Diluted earnings per share	$ 0.09	$ 0.23

Employee stock options and stock warrants of 1,250,500 and 3,122,375 for the quarter ended February 28, 1998 and 1997, respectively, were not included in the net earnings per share calculation because their effect would have been anti-dilutive.

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

The Company markets its products under its own brand as well as private labels to a large and diverse distribution network both domestically and internationally. The Company's products are distributed by two separate marketing groups: Communications and Automotive. The Communications group consists of Audiovox Communications Corp. (ACC) and the Quintex retail operations (Quintex), both of which are wholly-owned subsidiaries of the Company. The Communications group markets cellular telephone products and receives activation commissions and residual fees from its retail sales. The price at which the Company's retail outlets sell cellular telephones is often affected by the activation commission the Company will receive in connection with such sale. The activation commission paid by a cellular telephone carrier is based upon various service plans and promotional marketing programs offered by the particular cellular telephone carrier. The monthly residual fees are based upon a percentage of customers' usage and are calculated based on the amount of local air time fees collected from the base of customers activated by the Company on a particular cellular carrier's system. The Automotive group consists of Audiovox Automotive Electronics (AAE), a division of the Company, Audiovox Communications (Malaysia) Sdn. Bhd., Audiovox Holdings (M) Sdn. Bhd. and Audiovox Venezuela, C.A., which are majority-owned subsidiaries. Products in the Automotive group include automotive sound and security equipment, car accessories, home and portable sound products and mobile video. The Company allocates interest and certain shared expenses to the marketing groups based upon estimated usage. General expenses and other income items which are not readily allocable are not included in the results of the various marketing groups.

This Quarterly Report on Form 10-Q contains forward-looking statements relating to such matters as anticipated financial performance and business prospects. When used in this Quarterly Report, the words "anticipates," "expects," "may," "intend" and similar expressions are intended to be among the statements that identify forward-looking statements. From time to time, the Company may also publish forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors, including, but not limited to, foreign currency risks, political instability, changes in foreign laws, regulations and tariffs, new technologies, competition, customer and vendor relationships, seasonality, inventory obsolescence and inventory availability, could cause the Company's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements.

The following table sets forth for the periods indicated certain statements of income data for the Company expressed as a percentage of net sales:

	Percentage of Net Sales Three Months Ended February 28,	
	1998	1997
Net sales:		
Product sales:		
Cellular wholesale	55.5%	64.5%
Cellular retail	0.7	1.5
Sound	15.2	11.8
Security and accessories	18.7	12.9
	90.1	90.7
Activation commissions	5.2	6.2
Residual fees	0.8	0.8
Other	3.8	2.3
Total net sales	100.0	100.0
Cost of sales	81.6	83.2
Gross profit	18.4	16.8
Selling	6.9	7.0
General and administrative expense	7.0	5.4
Warehousing, assembly and repair	2.5	1.7
Total operating expenses	16.3	14.1
Operating income	2.1	2.7
Debt conversion expense	--	7.6
Interest and bank charges	0.7	0.5
Equity in income of equity investments	0.3	0.1
Management fees and related income	--	--
Gain on sale of equity investment	--	14.3
Other income	0.1	0.3
Provision for income taxes	0.5	6.7
Net income	1.4%	2.5%

RESULTS OF OPERATIONS
THREE MONTHS ENDED FEBRUARY 28, 1998 COMPARED TO THREE MONTHS ENDED FEBRUARY 28, 1997

CONSOLIDATED RESULTS

Net sales were $120,974 for 1998, a decrease of $45,640, or 27.4%, over the same period last year. The decrease in net sales was partially offset by a corresponding increase in gross profit margins to 18.4% from 16.8% last year. Operating expenses decreased to $19,724 from $23,486, a 16.0% decrease. Operating income for 1998 was $2,535, a decrease of $1,981 compared to last year.

The net sales and percentage of net sales by product line and marketing group for the three months ended February 28, 1998 and February 28, 1997 are reflected in the following table:

	Three Months Ended February 28,			
	1998		1997	
Net sales:				
Communications				
Cellular wholesale	$ 67,110	55.5%	$107,419	64.5%
Cellular retail	852	0.7	2,518	1.5
Activation commissions	6,347	5.2	10,377	6.2
Residual fees	998	0.8	1,315	0.8
Other	2,760	2.3	2,643	1.6
Total Communications	78,067	64.5	124,272	74.6
Automotive				
Sound	18,428	15.2	19,628	11.8
Security and accessories	22,677	18.7	21,493	12.9
Other	1,802	1.5	961	0.6
Total Automotive	42,907	35.5	42,082	25.3
Other	--	--	260	0.2
Total	$120,974	100.0%	$166,614	100.0%

COMMUNICATION RESULTS

The Communications group is composed of ACC and Quintex, both wholly-owned subsidiaries of Audiovox Corporation. Since principally all of the net sales of Quintex are cellular in nature, all operating results of Quintex are being included in the discussion of the Communications group's product line.

Net sales were $78,067, a decrease of $46,205, or 37.2%, over the same period last year. Unit sales of cellular telephones decreased 86,600 units, or 12.2%, from 1997. Average unit selling prices decreased approximately 27.7% to $102 from $141 but were offset by a corresponding decrease of 23.3% in average unit cost. The number of new cellular subscriptions processed by Quintex decreased 36.8%, with an accompanying decrease in activation commissions of approximately $4,030, or 38.8%. The average commission received by Quintex per activation also decreased approximately 3.1% from last year. Unit gross profit margins decreased to 9.2% from 14.0% last year. The Communications group may experience lower gross profits in the future as the group completes the transition from analog product to digital product. Operating expenses decreased to $11,439 from $14,852. As a percentage of net sales, however, operating expenses increased to 14.7% during 1998 compared to 12.0% in 1997. Selling expenses decreased $3,345 from last year, primarily in advertising and divisional marketing, partially offset by increases in trade show expenses. General and administrative expenses decreased during 1998 by $309 from 1997, primarily in office expenses and professional fees. Warehousing and assembly expenses increased by $241 during 1998 over last year, primarily in direct labor and field warehouse expenses. Pre-tax income for 1998 was $459, a decrease of $3,301 compared to last year.

The following table sets forth for the periods indicated certain statements of income data for the Communications group expressed as a percentage of net sales:

COMMUNICATIONS

	Three Months Ended February 28, 1998		1997	
Net sales:				
Cellular product - wholesale	$ 67,110	86.0%	$ 107,419	86.4%
Cellular product - retail	852	1.1	2,518	2.0
Activation commissions	6,347	8.1	10,377	8.4
Residual fees	998	1.3	1,315	1.1
Other	2,760	3.5	2,643	2.1
Total net sales	78,067	100.0	124,272	100.0
Gross profit	13,199	16.9	19,701	15.9
Total operating expenses	11,439	14.7	14,852	12.0
Operating income	1,760	2.3	4,849	3.9
Other expense	(1,301)	(1.7)	(1,089)	(0.9)
Pre-tax income	$ 459	0.6	$ 3,760	3.0%

AUTOMOTIVE RESULTS

Net sales increased approximately $825 compared to last year, an increase of 2.0%. Increases were experienced in the security and accessories product lines and were partially offset by decreases in automotive sound product lines. Automotive sound decreased 6.1% compared to last year, primarily due to decreased sales in Prestige Audio and SPS product lines, partially offset by an increase in AV and Private Label. Also during 1997, the Company contributed the net assets of the Heavy Duty Sound division to a newly-formed 50%-owned joint venture. Excluding this event, sound sales increased 8.3% during 1998 compared to 1997. It is anticipated that the loss of this revenue will be realized from the joint venture. Automotive security and accessories increased 5.5%

compared to last year, primarily due to increased sales in Prestige security, Protector Hardgoods and Mobile Video, partially offset by decreases in net sales of cruise controls and AA Security. Gross margins increased to 21.2% from 20.4% last year. This increase was experienced in SPS, AV and Prestige Audio sound products and Protector Hardgoods. Operating expenses increased to $6,756 from $6,381. Selling expenses decreased from last year by $39, primarily in international operations and the transfer of the Heavy Duty Sound division, offset by increases in commission, advertising and trade shows. General and administrative expenses increased over 1997 by $429, primarily in bad debt expenses and office salaries in both the international and domestic operations. Warehousing and assembly expenses decreased from 1997 by $15. Pre-tax income for 1998 was $1,379, an increase of $64 compared to last year.

The following table sets forth for the periods indicated certain statement of income data for the Automotive group expressed as a percentage of net sales:

AUTOMOTIVE

	Three Months Ended February 28,			
	1998		1997	
Net sales:				
Sound	$ 18,428	42.9%	$ 19,628	46.6%
Security and accessories	22,677	52.9	21,493	51.1
Other	1,802	4.2	961	2.3
Total net sales	42,907	100.0	42,082	100.0
Gross profit	9,099	21.2	8,571	20.4
Total operating expenses	6,756	15.7	6,381	15.2
Operating income	2,343	5.5	2,190	5.2
Other expense	(964)	(2.2)	(875)	(2.1)
Pre-tax income	$ 1,379	3.2%	$ 1,315	3.1%

OTHER INCOME AND EXPENSE

Interest expense and bank charges decreased by $70 for the three months ended February 28, 1998 compared to the same period last year, primarily due to the decrease in interest bearing subordinated debentures which were exchanged for shares of common stock during the first quarter of 1997. Equity in income of equity investments and management fees and related income increased $220 for the three months ended February 28, 1998 compared to the same periods last year. The equity investment primarily responsible for the increase was ASA, accounting for $155 of the increase compared to last year for the three months ended, partially offset by a decline in Audiovox Pacific.

During the first quarter of 1997, the Company sold a total of 1,360,000 shares of CellStar for net proceeds of $30,182 and a net gain of $14,743.

PROVISION FOR INCOME TAXES

Income taxes are provided for at a blended federal and state rate of 40% for profits from normal business operations. Over the last several months, the Company has implemented various tax strategies which have resulted in lowering the effective tax rate.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at February 28, 1998 decreased approximately $4,018 from the November 30, 1997 level. Operating activities used approximately $13,447, primarily from increases in cellular inventory, an advance to a supplier for product to be delivered during the second quarter of 1998, and decreases in accounts payable and accrued expenses, partially offset by profitable operations and a decrease in accounts receivable. Investing activities provided approximately $1,158, primarily from the sale of an equity collar. Financing activities provided approximately $8,269, primarily from the borrowings under line of credit agreements and documentary acceptances.

On May 5, 1995, the Company entered into the Second Amended and Restated Credit Agreement (the "Credit Agreement") which superseded the first amendment in its entirety. During 1997 and 1996, the Credit Agreement was amended ten times providing for various changes to the terms. The terms as of February 28, 1998 are summarized below. Under the Credit Agreement, the Company may obtain credit through direct borrowings and letters of credit. The obligations of the Company under the Credit Agreement continue to be guaranteed by certain of the Company's subsidiaries and are secured by accounts receivable and inventory of the Company and those subsidiaries. The obligations were secured at November 30, 1996 by a pledge agreement entered into by the Company for 2,125,000 shares of CellStar Common Stock and 100 shares of ACC. Subsequent to November 30, 1996, the shares of CellStar Common Stock were released from the Pledge Agreement. Availability of credit under the Credit Agreement is a maximum aggregate amount of $95,000, subject to certain conditions, and is based upon a formula taking into account the amount and quality of its accounts receivable and inventory. The Credit Agreement expires on February 28, 2000. The Credit Agreement contains several covenants requiring, among other things, minimum levels of pre-tax income and minimum levels of net worth and working capital as follows: pre-tax income of $4,000 per annum; pre-tax income of $1,500 for the two consecutive fiscal quarters ending May 31, 1997, 1998 and 1999; pre-tax income of $2,500 for the two consecutive fiscal quarters ending November 30, 1997, 1998 and 1999; the Company cannot have pre-tax losses of more than $1,000 in any quarter; and the Company cannot have pre-tax losses in any two consecutive quarters. In addition, the Company must maintain a minimum level of total net worth of $170,000. The

Company must maintain a minimum working capital of $125,000. The Credit Agreement provides for adjustments to the covenants in the event of certain specified non-operating transactions. Additionally, the agreement includes restrictions and limitations on payments of dividends, stock repurchases and capital expenditures.

The Company believes that it has sufficient liquidity to satisfy its anticipated working capital and capital expenditure needs through November 30, 1998 and for the reasonable foreseeable future.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the FASB issued Statement No. 130, "Reporting Comprehensive Income", effective for fiscal years beginning after December 15, 1997. This Statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. This Statement further requires that an entity display an amount representing total comprehensive income for the period in that financial statement. This Statement also requires that an entity classify items of other comprehensive income by their nature in a financial statement. For example, other comprehensive income may include foreign currency items and unrealized gains and losses on investments in equity securities. Reclassification of financial statements for earlier periods, provided for comparative purposes, is required. Based on current accounting standards, this Statement is not expected to have a material impact on the Company's consolidated financial statements. The Company will adopt this accounting standard effective December 1, 1998, as required.

In June 1997, the FASB issued Statement 131, "Disclosures about Segments of an Enterprise and Related Information", effective for fiscal years beginning after December 15, 1997. This

Statement establishes standards for reporting information about operating segments in annual financial statements and requires selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas and major customers. Operating segments are defined as 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. This Statement requires reporting segment profit or loss, certain specific revenue and expense items and segment assets. It also requires reconciliations of total segment revenues, total segment profit or loss, total segment assets, and other amounts disclosed for segments to corresponding amounts reported in the consolidated financial statements. Restatement of comparative information for earlier periods presented is required in the initial year of application. Interim information is not required until the second year of application, at which time comparative information is required. The Company has not determined the impact that the adoption of this new accounting standard will have on its consolidated financial statements disclosures. The Company will adopt this accounting standard in fiscal 1999, as required.

PART II - OTHER INFORMATION

Item 6. Reports on Form 8-K

No reports were filed on Form 8-K during the first quarter.

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.

AUDIOVOX CORPORATION

By:s/John J. Shalam
John J. Shalam
President and Chief
Executive Officer

Dated: April 14, 1998

By:s/Charles M. Stoehr
Charles M. Stoehr
Senior Vice President and
Chief Financial Officer

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