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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 8, 2015

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

Delaware (State or other jurisdiction of incorporation or organization)	**0-28839** (Commission File Number)

13-1964841
(IRS Employer Identification No.)

180 Marcus Blvd., Hauppauge, New York (Address of principal executive offices)	**11788** (Zip Code)

Registrant's telephone number, including area code (631) 231-7750

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of file following provisions:
[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12*)*
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(e))

Item 2.02 Results of Operations and Financial Condition.

On January 8, 2015, Voxx International Corporation (the “Company”) issued a press release announcing its earnings for the three and nine months ended November 30, 2014. A copy of the release is furnished herewith as Exhibit 99.1.

Item 8.01 Other Events.

On January 9, 2015, the Company held a conference call to discuss its financial results for the three and nine months ended November 30, 2014. The Company has prepared a transcript of that conference call, a copy of which is annexed hereto as Exhibit 99.2.

The information furnished under Items 2.02 and 8.01, including Exhibits 99.1 and 99.2, shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated January 8, 2015, relating to VOXX International Corporation's earnings release for the three and nine months ended November 30, 2014 (filed herewith).
99.2	Transcript of conference call held on January 9, 2015 at 10:00 am (filed herewith).

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.

VOXX International Corporation (Registrant)

Date: January 12, 2015

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

VOXX International Corporation Reports Fiscal 2015 Third Quarter And Nine-Month Financial Results

HAUPPAUGE, N.Y., Jan. 8, 2015 /PRNewswire/ --

- Fiscal third quarter consolidated gross margins improved 290 basis points.
- Fiscal third quarter operating income of $16.6 million increased by $0.1 million and net income of $15.6 million, increased by approximately $0.2 million.
- Fiscal third quarter Adjusted EBITDA of $22.4 million declined by $1.1 million; the FY14 third quarter includes a $4.3 million unanticipated customer settlement.
- Company launches several products at the 2015 International Consumer Electronics Show, highlighted by 360fly, myris, Singtrix, new Reference Series and Jamo Series speakers, 808 Audio, new asset tracking technology and several enhanced offerings for its OEM customers.

VOXX International Corporation (NASDAQ: VOXX), today announced financial results for its Fiscal 2015 third quarter and nine-months ended November 30, 2014.

Pat Lavelle, President and CEO stated, "We saw significant gross margin improvements across all of our business segments, and lowered planned spending further, resulting in operating income that matched last year's third quarter, despite lower sales. There were some short-term factors that impacted sales, such as OEM programs and new product launches that were delayed. Holiday retail sales also came in better than anticipated but we had taken a cautious approach in our buying programs, and is one of the elements that will curtail top-line results in the Fiscal fourth quarter. We anticipate FY15 sales to be approximately $760-$770 million, but with gross margins tracking closer to 30% and operating expenses lower than anticipated. We are receiving positive responses to the products we debuted at CES and the ones that will be coming to market shortly, and remain optimistic, especially with new OEM programs on the horizon and the anticipated contributions from new products such as 360fly, myris, our Reference Series and Jamo Concert Series, new 808 Audio products, and more. Our balance sheet remains strong and we are getting ready for some exciting programs in 2015 that should drive organic growth and improved profitability over the coming year."

Third Quarter Results (three months ended November 30, 2014 and November 30, 2013)

Net sales for the Fiscal 2015 third quarter were $223.4 million compared to $245.8 million reported in the comparable year-ago period, a decline of 9.1%. Within this:

- Automotive sales were $110.2 million as compared to $117.6 million. The Automotive segment was impacted by the temporary suspension of an OEM program for one customer as it works through revised safety requirements, lower comparable OEM sales as a result of programs that launched in the FY14 third quarter, suspended sales in Venezuela, and the impact of the Euro conversion, offset by higher sales of remote starts.

- Premium Audio sales were $54.4 million as compared to $65.6 million. This segment was impacted by lower sales of soundbars and music centers, primarily driven by lower average selling prices, and the impact of the Euro conversion, offset by higher sales of high-end separates and commercial and custom installations.

- Consumer Accessories sales were $58.2 million as compared to $62.2 million. This segment was impacted by lower sales of digital voice recorders, clock radios and hook-up and power products, lower sales in Mexico resulting from the transition in the Company's distribution model, and the impact of the Euro conversion, offset by higher sales of wireless and Bluetooth speakers, and sales increases in Europe.

The gross margin for the Fiscal 2015 third quarter was 30.9%, an increase of 290 basis points as compared to 28.0% for the same period last year. All three business segments posted increases in gross margin due to product mix shifts and better margins associated with new product launches and programs (Automotive - 31.3% vs. 28.6%; Premium Audio - 33.7% vs. 30.8%; Consumer Accessories - 26.7% vs. 23.5%).

Operating expenses for the Fiscal 2015 third quarter were $52.3 million, roughly in line with $52.2 million reported in the comparable year-ago period. The Company experienced a decline of $3.2 million in its selling, general and administrative expenses for the comparable third quarter periods, offset by a $3.4 million increase in engineering and technical support as the Company continues to bring on engineers and increase its R&D spend in support of new and potential OEM programs.

The Company reported operating income of $16.6 million for both the Fiscal 2015 and Fiscal 2014 third quarters.   For the comparable three-month periods, there was a variance in other income (expense) of $5.7 million, as the FY14 third quarter included $4.3 million related to an unanticipated OEM customer settlement. There were other offsetting factors for the comparable periods. This resulted in net income of $15.6 million or income per diluted share of $0.64 for the Fiscal 2015 third quarter as compared to net income of $15.4 million or net income per diluted share of $0.63 for the comparable year ago period.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the Fiscal 2015 third quarter was $22.2 million as compared to EBITDA of $27.7 million reported in the Fiscal

2014 third quarter. Adjusted EBITDA was $22.4 million as compared to $23.5 million for the comparable Fiscal 2015 and 2014 periods.

Mr. Lavelle continued, "The safety recall at an OEM customer, lack of business in Venezuela, normal run rates for OEM programs and the Euro conversion impacted year-to-date sales by over $18 million. Within Premium Audio, the delayed launch of our new Reference Series impacted our top-line as well, but we expect to see improvements in gross margins and profitability. We continue to expand distribution and our Consumer Accessories business should be aided by new sales of action cameras, Singtrix and biometrics products next Fiscal year. We have a number of exciting products coming to market and have been awarded contracts or are participating in, several large-scale RFQs in our Automotive segment as well. While this may not have immediate returns, we are growing our pipeline and positioning the Company for growth."

Nine-Month Results (periods ended November 30, 2014 and November 30, 2013)

Net sales for the nine months ended November 30, 2014 were $587.6 million compared to $622.6 million reported in the comparable year-ago period, a decline 5.6%. Within this:

- Automotive sales were $305.6 million as compared to $318.6 million. The Automotive segment experienced decreases in its OEM manufacturing lines as a result of the temporary suspension of programs from one OEM customer, and lower OEM sales given the volume of new product and program launches in the Fiscal 2014 nine month period as compared to Fiscal 2015. Additionally, lower satellite radio sales due to credit concerns, and lower sales in Venezuela led to the decline, offset by higher sales of remote starts and Car Connection devices domestically, and higher European sales.
- Premium Audio sales were $128.5 million as compared to $146.5 million. The segment decline was primarily due to the transition of inventory in anticipation of new product launches, which took place in the Fiscal 2015 second and third quarters, a decline in industry-wide pricing for soundbars, music centers and Bluetooth wireless speakers, as well as lower international sales. Offsetting this were higher sales of high-end separates, and gains in the Commercial and Custom Installation business.
- Consumer Accessories sales were $152.6 million as compared to $156.2 million. This segment was impacted by lower sales of digital voice recorders, clock radios, and hook-up and power products, and lower comparable sales in Mexico, offset by higher sales of wireless and Bluetooth speakers, and higher sales throughout Europe.

The gross margin for the nine-month period ended November 30, 2014 was 29.7%, an increase of 120 basis points as compared to 28.5% for the same period last year. This increase was driven by improved margins in the Automotive and Consumer Accessories segment, up 290 basis points and 60 basis points, respectively, offset by a 60 basis point decline in the Premium Audio segment.

Operating expenses for the nine month period ended November 30, 2014 were $157.1 million, an increase of 1.2% compared to operating expenses of $155.2 million reported in the comparable year-ago period. The modest increase is primarily related to a $3.9 million increase in engineering and technical support and a $0.5 million increase in selling expenses, both related to new personnel brought on-board to support various customer and prospective programs. This was offset by a $1.3 million reduction in restructuring expense and lower general and administrative expenses of $1.1 million.

The Company reported operating income of $17.3 million for the nine-month period ended November 30, 2014 as compared to operating income of $22.2 million reported in the comparable period last year. Lower sales volumes and higher expenses contributed to the variance for the year-over-year periods, and were partially offset by gross margin improvements.

The Company reported total other expenses for the nine month period ended November 30, 2014 of $5.2 million as compared to total other income of $10.5 million in the comparable period last year. In Fiscal 2015, the Company recorded a $6.7 million charge representing the devaluation loss related to its Venezuelan bonds that were remeasured at August 31, 2014, resulting in a net Venezuela currency devaluation and translation loss for the nine months ended November 30, 2014 of $6.2 million. Additionally, Other, net, decreased by $9.9 million, primarily as a result of $5.2 million received in a class action settlement, $4.3 million from an unanticipated customer contract settlement, and $0.9 million related to Klipsch recoveries. This was offset by an accrual of $1.2 million for estimated patent settlements with certain third parties, among other factors. The net result was a $15.7 million decline in total other income (expense) for the comparable periods.

The Company reported net income of $13.4 million or income per diluted share of $0.55 as compared to net income of $22.4 million or net income per diluted share of $0.93 for the nine-months ended November 30, 2014 and November 30, 2013, respectively.

EBITDA for the Fiscal 2015 nine-month period was $29.3 million as compared to EBITDA of $50.3 million reported in the comparable Fiscal 2014 period. Adjusted EBITDA for the Fiscal 2015 nine-month period was $36.3 million as compared to Adjusted EBITDA of $42.7 million for the comparable year-ago period.

Non-GAAP Measures

Adjusted EBITDA and diluted adjusted EBITDA per common share are not financial measures recognized by GAAP. Adjusted EBITDA represents net income, computed in accordance with GAAP, before interest and bank charges, taxes, depreciation and amortization, stock-based compensation expense, restructuring and relocation charges, litigation and other settlements and recoveries, and certain remeasurement losses related to our Venezuela subsidiary. Depreciation, amortization, stock-based compensation, and the Venezuela bond remeasurement expenses are non-cash items. Diluted adjusted EBITDA per common share represents the Company's diluted earnings per common share based on adjusted EBITDA. We present adjusted EBITDA and diluted adjusted EBITDA per common share in our Form 10-Q and in this release, because we consider them to be useful and appropriate supplemental measures of our performance. Adjusted EBITDA and diluted adjusted EBITDA per common share help us to evaluate our performance without the effects of certain GAAP calculations that may not have a direct cash impact on our current operating performance. In addition, the exclusion of certain costs relating to our Venezuela subsidiary, restructuring and relocation, litigation settlements, recoveries and unanticipated payments allows for a more meaningful comparison of our results from period-to-period. These non-GAAP measures, as we define them, are not necessarily comparable to similarly entitled measures of other companies and may not be appropriate measures for performance relative to other companies. Adjusted EBITDA should not be assessed in isolation from or construed as a substitute for EBITDA prepared in accordance with GAAP. Adjusted EBITDA and diluted adjusted EBITDA per common share are not intended to represent, and should not be considered to be more meaningful measures than, or alternatives to, measures of operating performance as determined in accordance with GAAP.

Conference Call Information

The Company will be hosting its conference call on Friday, January 9, 2015 at 10:00 a.m. ET. Interested parties can participate by visiting www.voxxintl.com, and clicking on the webcast in the Investor Relations section or via teleconference (toll-free number: 877-303-9079; international: 970-315-0461 / conference ID: 60334536). For those unable to join, a replay will be available approximately four hours after the call has been completed and will last for one week (replay number: 855-859-2056; international replay: 404-537-3406; conference ID: 60334536).

About VOXX International Corporation

VOXX International Corporation (NASDAQ:VOXX) has grown into a worldwide leader in many automotive and consumer electronics and accessories categories, as well as premium high-end audio.   Today, VOXX International Corporation has an extensive distribution network that includes power retailers, mass merchandisers, 12-volt specialists and most of the world's leading automotive manufacturers.   The Company has an international footprint in Europe, Asia, Mexico and South America, and a growing portfolio, which now comprises over 30 trusted brands. Among the key domestic brands are Klipsch®, RCA®, Invision®, Jensen®, Audiovox®, Terk®, Acoustic Research®, Advent®, Code Alarm®, CarLink®, 808®, AR for Her®, and Prestige®. International brands include Hirschmann Car Communication®, Klipsch®, Jamo®, Energy®, Mirage®, Mac Audio ®, Magnat®, Heco®, Schwaiger®, Oehlbach® and Incaar™. For additional information, please visit our Web site at www.voxxintl.com.

Safe Harbor Statement

Except for historical information contained herein, statements made in this release that would constitute forward-looking statements may involve certain risks and uncertainties. All forward-

looking statements made in this release are based on currently available information and the Company assumes no responsibility to update any such forward-looking statements. The following factors, among others, may cause actual results to differ materially from the results suggested in the forward-looking statements. The factors include, but are not limited to risks that may result from changes in the Company's business operations; our ability to keep pace with technological advances; significant competition in the automotive, premium audio and consumer accessories businesses; our relationships with key suppliers and customers; quality and consumer acceptance of newly introduced products; market volatility; non-availability of product; excess inventory; price and product competition; new product introductions; foreign currency fluctuations and concerns regarding the European debt crisis; restrictive debt covenants; the possibility that the review of our prior filings by the SEC may result in changes to our financial statements; and the possibility that stockholders or regulatory authorities may initiate proceedings against VOXX International Corporation and/or our officers and directors as a result of any restatements. Risk factors associated with our business, including some of the facts set forth herein, are detailed in the Company's Form 10-K for the fiscal year ended February 28, 2014.

Company Contact:
Glenn Wiener, President
GW Communications
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VOXX International Corporation and Subsidiaries
Consolidated Balance Sheets
(In thousands)

	November 30, 2014	February 28, 2014
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 11,056	$ 10,603
Accounts receivable, net	140,952	147,054
Inventory, net	153,325	144,339
Receivables from vendors	3,471	2,443
Investment securities, current	968	—
Prepaid expenses and other current assets	19,747	15,897
Income tax receivable	4,388	2,463
Deferred income taxes	2,527	3,058
Total current assets	336,434	325,857
Investment securities	12,477	14,102
Equity investments	21,347	20,628
Property, plant and equipment, net	81,500	83,222
Goodwill	111,946	117,938
Intangible assets, net	165,767	174,312
Deferred income taxes	750	760
Other assets	8,435	10,331
Total assets	$ 738,656	$ 747,150
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 73,971	$ 55,373
Accrued expenses and other current liabilities	58,461	64,403
Income taxes payable	6,856	3,634
Accrued sales incentives	18,415	17,401
Deferred income taxes	77	9
Current portion of long-term debt	2,068	5,960
Total current liabilities	159,848	146,780
Long-term debt	95,146	103,222
Capital lease obligation	5,612	6,114
Deferred compensation	4,615	5,807
Other tax liabilities	4,625	11,060
Deferred tax liabilities	33,534	34,963
Other long-term liabilities	8,670	9,620
Total liabilities	312,050	317,566
Commitments and contingencies		
Stockholders' equity:		
Preferred stock:		
No shares issued or outstanding (see Note 18)	—	—
Common stock:		

Class A, $.01 par value; 60,000,000 shares authorized, 23,993,240 and 23,988,240 shares issued, 21,863,785 and 22,172,968 shares outstanding at November 30, 2014 and February 28, 2014, respectively	255	255
Class B Convertible, $.01 par value, 10,000,000 authorized, 2,260,954 shares issued and outstanding	22	22
Paid-in capital	291,283	290,960
Retained earnings	172,000	158,571
Accumulated other comprehensive loss	(15,996)	(1,873)
Treasury stock, at cost, 2,129,455 and 1,815,272 shares of Class A Common Stock at November 30, 2014 and February 28, 2014, respectively	(20,958)	(18,351)
Total stockholders' equity	426,606	429,584
Total liabilities and stockholders' equity	$ 738,656	$ 747,150

VOXX International Corporation and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income
(In thousands, except share and per share data)
(unaudited)

	Three Months Ended November 30, 2014	Three Months Ended November 30, 2013	Nine Months Ended November 30, 2014	Nine Months Ended November 30, 2013
Net sales	$ 223,356	$ 245,814	$ 587,598	$ 622,604
Cost of sales	154,399	177,016	413,184	445,191
Gross profit	68,957	68,798	174,414	177,413
Operating expenses:				
Selling	13,623	15,026	41,229	40,751
General and administrative	29,587	31,422	88,290	89,403
Engineering and technical support	9,103	5,740	27,579	23,701
Restructuring expense	—	32	—	1,324
Total operating expenses	52,313	52,220	157,098	155,179
Operating income	16,644	16,578	17,316	22,234
Other (expense) income:				
Interest and bank charges	(1,825)	(1,830)	(5,010)	(5,609)
Equity in income of equity investees	1,245	1,520	4,631	4,772
Venezuela currency devaluation, net	—	—	(6,232)	—
Other, net	142	5,565	1,416	11,293
Total other (expense) income, net	(438)	5,255	(5,195)	10,456
Income before income taxes	16,206	21,833	12,121	32,690
Income tax expense (benefit)	584	6,409	(1,308)	10,261
Net income	$ 15,622	$ 15,424	$ 13,429	$ 22,429
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(8,342)	4,658	(15,783)	4,096
Derivatives designated for hedging	578	(744)	1,529	(430)
Pension plan adjustments	64	(29)	124	(41)
Unrealized holding gain on available-for-sale investment securities arising during the period, net of tax	5	—	7	—
Other comprehensive (loss) income, net of tax	(7,695)	3,885	(14,123)	3,625
Comprehensive income (loss)	$ 7,927	$ 19,309	$ (694)	$ 26,054
Net income per common share (basic)	$ 0.64	$ 0.63	$ 0.55	$ 0.93
Net income per common share (diluted)	$ 0.64	$ 0.63	$ 0.55	$ 0.93
Weighted-average common shares outstanding (basic)	24,322,307	24,341,897	24,396,987	24,060,492
Weighted-average common shares outstanding (diluted)	24,340,534	24,424,956	24,418,298	24,209,611

Reconciliation of GAAP Net (Loss) Income to Adjusted EBITDA

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2014	2013	2014	2013
Net income	$ 15,622	$ 15,424	$ 13,429	$ 22,429
Adjustments:				
Interest expense and bank charges	1,825	1,830	5,010	5,609
Depreciation and amortization	4,189	4,040	12,189	12,000
Income tax expense	584	6,409	(1,308)	10,261
EBITDA	22,220	27,703	29,320	50,299
Stock-based compensation	140	63	291	552
Venezuela bond remeasurement	—	—	6,702	—
Circuit City recovery	—	—	—	(940)
Net settlements	—	—	—	(4,025)
Unanticipated settlement from customer	—	(4,313)	—	(4,313)
Asia warehouse relocation	—	—	—	(208)
Restructuring charges	—	32	—	1,324
Adjusted EBITDA	$ 22,360	$ 23,485	$ 36,313	$ 42,689
Diluted earnings per common share	$ 0.64	$ 0.63	$ 0.55	$ 0.93
Diluted adjusted EBITDA per common share	$ 0.92	$ 0.96	$ 1.49	$ 1.76

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

VOXX - Q3 2015 VOXX International Corp Earnings Call

EVENT DATE/TIME: JANUARY 09, 2015 / 03:00PM GMT

CORPORATE PARTICIPANTS

Glenn Wiener *GW Communications - IR*

Pat Lavelle *VOXX International Corporation - President & CEO*

Michael Stoehr *VOXX International Corporation - SVP & CFO*

CONFERENCE CALL PARTICIPANTS

Sean McGowan *Needham & Co. - Analyst*

James Medvedeff *Cowen and Company - Analyst*

Scott Tilghman *B. Riley & Co. - Analyst*

Brian Cowen *Busey Capital - Analyst*

Bob Evans *Pennington Capital - Analyst*

Gary North *GS North Company - Analyst*

PRESENTATION

Operator

Good day, ladies and gentlemen welcome to the VOXX International conference call. (Operator Instructions). As a reminder, this conference call is being recorded. I'll now introduce your host for today's conference, Mr. Glenn Wiener. Please go ahead, sir.

Glenn Wiener - ***GW Communications*** - ***IR***

Thank you, Ashley and good morning, everyone. I'd like to start by wishing you all happy new year. Welcome to VOXX International's fiscal 2015 third-quarter and nine-month results conference call. Today's call is being webcast from our website, www.voxxintl.com and can be accessed from the Investor Relations section of this site. We also have a replay available for those who are unable to join us this morning, which should be up within the next hour. We filed our Form 10-Q and issued our press release yesterday after the market closed and both documents can be found on our website again in the Investor Relations section under SEC filings and news releases respectively. This morning, we also issued a press announcement regarding our presentation at the Needham conference next week and we have several events scheduled throughout the course of the year.

Now before turning the call over to Pat, I'd like to remind everyone that, except for historical information contained herein, statements made on today's conference call and webcast that would constitute forward-looking statements may include certain risks and uncertainties. The Company assumes no responsibility to update any such forward-looking statements and risk factors associated with our business are detailed in our Form 10-K for the fiscal year ended February 28, 2014. The forward-looking statements are based on currently available information. At this time, I'd like to turn the call over to our President and CEO, Pat Lavelle. Pat?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

Okay, thank you, Glenn. Good morning, everyone. As you may know, today is the last day of the Consumer Electronics Show in Las Vegas and we had a very positive response to the products we debuted this year and the ones that we will be introducing shortly. These products as well as programs under development have us optimistic with our potential over the coming year.

Yesterday, we reported our fiscal third-quarter results. While sales came in lower than expected, our gross margins increased as anticipated and we continue to manage our costs resulting in an operating profit that was slightly ahead of last year's third quarter. As many of you have probably seen from holiday reports, industry sales were better this year and I think better than some retailers had planned and this bodes well in our outlook for next year as the economy and the consumer spending appear to be moving in the right direction. However, in years past, we've seen a very tepid retail environment and as a result took a cautious approach in our buying programs, which will curtail some fourth-quarter sales.

I'll begin today with a brief recap of our results and then discuss our outlook for the remainder of the year, as well as some of the new products and programs we have on tap. As I indicated on our second-quarter call, sales will be down from last year due to weakness that we had seen in preholiday consumer spending, delays in product launches and the temporary suspension of OE programs that have impacted this year. Based upon this, projected sales for fiscal 2015 are now set at approximately $760 million to $770 million. However, we are increasing gross profit guidance to approximately 30% and overhead will be up close to 2%, down from the 4% to 5% I initially guided to.

Now let me start with our results. Our third-quarter sales declined $22.5 million over last year. The majority of the declines were in our Premium Audio segment and in our OEM lines and I will address both. The Premium Audio third-quarter sales were off a little over $11 million, but our gross margins increased 290 basis points. As I indicated on our last call, the margin improvement was anticipated as we delivered our new Klipsch Reference Series and Jamo Concert Series speakers. For the nine months, sales were down $18 million and gross margin, while down slightly for the nine months, will be flat with last year.

Throughout the year, our Premium Audio segment has been impacted as we transition to make way for new product launches. Lower industrywide pricing for soundbars, music centers and Bluetooth speakers are also impacting sales. According to NPD reports, average selling prices have dropped by 46% and 44% for soundbars and wireless streaming products respectively. This has led us to concentrate on growing our high-end separates business and the commercial and custom installation businesses where margins are more stable.

Also impacting sales was the launch of our Klipsch music centers in the third quarter last year, which spiked sales of those products as we filled the pipeline. This year, Q3 sales of those items followed more normal purchasing patterns. And finally, we transitioned to UPP pricing to protect our margins and pulled several Klipsch products from a number of online outlets. All of these factors contributed to lower sales this quarter; however, we are not overly concerned as we believe the steps we took in recent months and the new products that are delivering have us positioned well at both retail and online.

Our custom installation channel has improved this year driven by our high-end Reference and Palladium speakers. This product category represents an area of additional growth for us. In commercial installation, we're up for the year, maintaining our accounts and looking to expand further in the coming years as our customers have retrofits of existing theaters and new construction in the planning stages.

Within Automotive, sales were off $7.3 million and $13.1 million for the three and nine months. There are three primary reasons for this. I have previously talked about two issues on the OEM level. One, the revised safety requirements at one of our OEMs, which delayed the launch of a program that was slated to begin earlier this year and the second, the retrofit of an existing program that resumed production in November. These combined to impact our business over the nine months by approximately $9 million.

Second, last year, we enjoyed a huge launch with an OEM customer for rear seat entertainment products. The program is running and doing well, but the year-over-year impact when comparing sales during launch to normal run rate is approximately $3.3 million.

And third, as we indicated last quarter, we have essentially stopped doing business in Venezuela and the year-over-year impact of that has been approximately $3 million. In addition, the euro impact for the third quarter was significant as in Q3 fiscal 2014 the euro was at $1.35 versus $1.27 this quarter. The lower euro has impacted Q3 sales by approximately $3.2 million in this segment. These factors actually contributed to more than the year-over-year decline, about $18 million in total and masked some of the positives. And a few positive takeaways, we initially budgeted Hirschmann sales to be down, driven by the transition of our DTV tuner to the next generation model, but we've had better sales of existing products and higher call-offs, which have helped offset this.

Our antenna business is growing and we expect this to continue especially as more and more cars incorporate wireless 3G and 4G technologies. We've won new programs with Audi and Volkswagen, have other programs underway and have several large RFQs pending. Our remote start business is doing well, up slightly for the year and in rear seat entertainment, we began a program with a new OEM customer during the third quarter.

One other point is the positive improvements in our gross margins, up 270 and 290 basis points for the three and nine-month comparisons. We're experiencing substantially better absorption in our manufacturing facilities and we've also had gains due to product mix. With some new programs coming on board this year, margins have also been favorably impacted. Although as programs mature, they will come down. This is standard with OEMs and built into our contracts. New technologies we're working on should help offset this as it does in virtually every product cycle.

In our Consumer Accessories segment, our sales were down $4 million in the third quarter and $3.6 million for the nine months. Up until the holiday season, we saw softness at retail and as I mentioned in my opening remarks, we were very cautious in our buying programs for the third quarter. Sales of 808 Audio, which we launched last year, are doing very well, placed in Walmart, Office Depot, Meijer, P.C. Richards, Fry's, Target.com and Amazon.com and in the premium incentive channel and numerous college bookstores. Reception products are also up for the year due mostly to the expanded distribution and we have a number of new products coming to market for next fiscal year. Our European accessory sales are up 21% on a euro basis.

Moving on, on a consolidated basis, our third-quarter gross margins improved 290 basis points and mainly due to the transition of product mix and new product launches. Margins for the year are now at 29.7%, 70 basis points over guidance. Our expenses were roughly flat, up about 1% and well under budget. So despite lower sales, we were able to post a modest gain in operating income for the quarter. Mike will get into the other financial details. I have focused on ones that have been driving our sales and margins throughout the year.

Looking ahead, we resumed OEM shipments that have been on hold and we believe it will be positive improvement based on new programs that have recently started. The new Reference series is loaded in at several retailers, including Best Buy, but nationwide rollout will take time. The products are meeting with positive consumer response and we expect to start seeing restocking orders very soon.

We had a plan that limited launch of myris, the iris identification product, late in the third quarter at Best Buy, Staples, HH Gregg, Fry's Electronics, TigerDirect and online at Apple.com. We've received some fantastic product reviews upon launch and myris was included in a year-end Wall Street Journal report as one of the technologies that will change your life forever. As demand grows, we expect to increase production throughout fiscal 2016. While retail is a key component to consumer awareness, we believe the big play is in the enterprise market and that will be a multiyear strategy. We anticipate seeing our first enterprise models early this spring.

Despite the lower top-line outlook, gross margins are improving tracking to 30% and overhead will only be up about 2%. While I truly believe we were on track for modest growth this year, we had a number of unforeseen events and delays that have impacted sales. We're addressing them all and we're improving the areas that are within our control.

Before I turn the call over to Mike, I would like to say we had a very good show at CES. You can look at all of our product releases on our website, so I won't go through each one. We have a number of opportunities. Our new Reference series, new Jamo series, Singtrix, new OEM programs, our asset tracking technology, new rear seat entertainment products, 360fly, myris, new 808 Audio products and more and with the US economy improving and Europe holding steady, we see potential for growth across all of our business segments. Cash is being strategically deployed. We're profitable and generating cash flow and our balance sheet continues to improve. I'll turn the call over to Michael now and when he is through, we will open it up for questions. Michael?

Michael Stoehr - ***VOXX International Corporation - SVP & CFO***

Thanks, Pat. Good morning, everyone. We've already provided sales and margin details, so I'll cover expenses, income, EBITDA and our balance sheet. All comparisons are for the three and nine months ended November 30, 2014 and 2013 unless noted. First, our operating expenses. Operating expenses for the comparable third quarters were flat, $52.3 million versus $52.2 million. Selling expenses declined by $1.4 million, or 9.3%, due mostly to lower commissions and salaries and the increase in trade show expenses were more than offset by our lower advertising expense as some program launches shifted into fiscal year 2016. G&A expenses declined by $1.8 million, or 5.8%, due primarily to the cost controls we've put in place. Executive management salaries and related benefits, lower taxes and licenses and lower insurance and professional fees helped reduce G&A and this was offset somewhat by higher office salaries and related office expenses.

Our engineering and technical support expenses increased by $3.4 million, up 58.6%. We have been staffing up primarily in engineering to support our Automotive business. Our R&D spend is up approximately $2.3 million. The increase in our spend relates to investments in programs we are working on as we're finishing up product development related to programs slated to begin at the end of this calendar year and into next year.

For the nine-month comparisons, operating expenses were up $1.9 million, or 1.2%. Selling expenses increased $500,000. Commissions declined due to lower sales volumes and payroll benefits were down, as well as T&E. This was offset by higher sales and salaries in our Automotive group as we are staffing for business growth, higher payroll taxes and an increase in both advertising and tradeshow expenses associated with new product launches in our Premium Audio and Consumer Accessories segments.

G&A expenses declined $1.1 million. Similar to the three-month comparisons, executive management salaries and related payroll benefits decreased as did insurance costs offset by higher office salaries, T&E payroll taxes and professional service fees. Occupancy costs also increased in the nine-month period and this is primarily in our Automotive group. This was offset by lower stock-option expenses. Engineering and technical support increased $3.9 million to support new OEM programs as I just noted. And in fiscal year 2014, we incurred $1.3 million in restructuring expenses related to our buildings and systems consolidation.

As Pat indicated, fiscal year 2015 expenses are now expected to be up only approximately 2% year-over-year as compared to the 4% to 5% we initially projected and the 3% to 3.5% we guided to last quarter. Operating income for the three months was $16.6 million for both periods. We were able to post operating income that matched last year due to the improvements in gross margins, which helped offset lower sales volume. Note that though the first six months of the year our operating income was down $5 million principally as a result of lower sales and no improvements in gross margin. For the nine-month period, operating income was $17.3 million versus $22.2 million. For the three-month comparison, there was little change in interest and bank charges, $1.8 million for both periods and equity income and our equity investees, which relates to our ASA joint venture, was $1.2 million versus $1.5 million. As we mentioned in our previous calls, we will not repeat the other income from special situations which we had last year.

Other net was $5.3 million in last year's fiscal third quarter and includes $4.3 million for unanticipated customer settlements, the recovery of $900,000 that was owed to Klipsch and other miscellaneous factors versus $142,000 in fiscal 2015 third quarter. For the nine-month comparisons, we reported total other expenses of $5.2 million versus other income of $10.5 million, a $15.7 million swing. Minor impacts stem from interest in bank charges, which declined by $600,000 as we continue to pay down debt. And equity income investees was $4.6 million versus $4.8 million. The biggest impacts came in other net.

In fiscal year 2015, the largest shift was the $6.7 million loss, which represents the remeasurement of our Venezuelan bonds as of August 31, 2014 and other net in last year's fiscal nine-month period included net income of $9.2 million, which was the result of an unanticipated settlements, a class-action lawsuit settlement. This recovery is offset by (inaudible) tax settlement.

For both the three-month and nine-month period, net income was favorably impacted by higher gross margins and tax recoveries offset by lower other income and expenses in sales volume. And as a result, we reported net income of $15.6 million versus $15.4 million and net income per diluted share of $0.64 versus $0.63 when comparing fiscal 2015 and 2014 third quarters.

For the nine-month period comparisons, net income was $13.4 million or $0.55 per diluted share versus $22.4 million or $0.93 per diluted share. As for EBITDA, reported EBITDA for fiscal year 2015 third quarter of $22.2 million versus $27.7 million. Adjusted EBITDA for fiscal 2015 third quarter was $22.4 million versus $23.5 million last year, which included the unanticipated customer settlement of $4.3 million and minor adjustments related to stock-based compensation. For the nine-month period, EBITDA was $29.3 million in fiscal year 2015 versus $50.3 million in fiscal year 2014 and adjusted EBITDA for the nine-month fiscal 2015 was $36.3 million versus $42.7 million last year. Fiscal 2015 takes into account the $6.7 million for the loss due to the Venezuelan remeasurements and approximately $300,000 in stock-based compensation. The adjustments for the nine months of 2014 included an unanticipated customer settlement, legal settlements and recoveries, relocation and restructuring charges and stock-based compensation.

Now for our balance sheet. Our cash position as of November 30, 2014 was $11.1 million versus $10.6 million as of February 28, 2014. We continue to manage our inventory position and as of November 30, 2014, our inventory was $153 million versus $160.9 million as of November 30, 2013 and $144.3 million as of February 28, 2014. Our total debt as of November 30, 2014, which is inclusive of all mortgages and capital leases, stood at $102.8 million compared to $115.3 million as of February 28, 2014, an improvement of $12.5 million as compared also to $140.9 million as of November 30, 2013, a year-over-year improvement of $38.1 million. The 11/30/15 total debt includes funds used for investments and $6 million in EyeLock and EyeSee360, as well as $2.6 million in stock repurchases.

Our domestic bank obligations were $76.6 million; that is at November 30, 2014. This compares to $88 million as of February 28 and $115.3 million as of November 30, 2013. Our debt position tends to come down after our third quarter, which is our busiest selling season and we expect to end the fiscal year with total worldwide bank obligations of approximately $65 million to $70 million and total debt of $91 million.

In closing, and to reiterate Pat's comments, one, yes, our sales for the year will be lower than expected and Pat covered the reasons why. Our margins, which we guided to 29%, are 29.7% through the nine months and should come closer to the 30%, which is our stated stretch goal. Our overhead will be up approximately 2% or less this year and will be driven by increases in R&D and engineering in our Automotive groups, which is positive for our future business, though it takes away from profitability this year. EBITDA adjusted to Venezuela, which is not a cash item, should come into approximately $42 million.

Our CapEx estimate, previously $12 million to $13 million, does not include the now planned $4.5 million investment for our new facility project and our Automotive group, which we'll be announcing shortly. Taking this into account, our free cash flow for fiscal year 2015 will now be $17.5 million.

During the third quarter, we repurchased approximately 315,000 shares of our common stock on the open market and currently have over 1.4 million shares remaining under the authorization program. Our balance sheet is improving and we have sufficient availability to execute our strategy and continue to make acquisitions should the right ones materialize at the right value.

This concludes our prepared remarks and we're ready to open up the call for questions. Pat?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

Thank you, Mike.

Glenn Wiener - ***GW Communications - IR***

Operator, we're ready for Q&A.

QUESTION AND ANSWER

Operator

(Operator Instructions). Sean McGowan, Needham.

Sean McGowan - ***Needham & Co. - Analyst***

Hi, guys, how are you? A couple of questions. Pat, how quickly do you think some of these suspended OEM programs can bounce back? Specifically if they are safety-related? Is that a multi-quarter issue or can that come back pretty soon?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

No, the safety issue has been resolved and we will be resuming -- actually we started in November resuming the two programs because the decision was to go back to the -- on the unit that had the safety issue, the decision was to go back to the former model we were supplying them so that and then the one that we had to redo some functionality on both resumed in November. So we'll see -- that $9 million that we missed during this period should start to resume -- started up again in November and we should start to see those sales on a regular monthly basis.

Sean McGowan - ***Needham & Co. - Analyst***

Okay. And that $9 million was for the nine months?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

That was a nine-month -- yes, it was the nine-month -- it's about $1 million a month.

Sean McGowan - ***Needham & Co. - Analyst***

Okay. And a couple of questions for Mike. What would you say is the gross margin outlook for the fourth quarter? You had a bit of pressure last year in the fourth quarter. I think a lot of that was related to factors that don't sound like they are repeating this year with excess inventories at retail. So do you expect to be back to the fourth quarter of 2013 levels or maybe higher?

Michael Stoehr - ***VOXX International Corporation - SVP & CFO***

We will be at the 30% level that we talked about.

Sean McGowan - ***Needham & Co. - Analyst***

Okay. And then last question, the tax benefit -- there seems to be a pretty significant tax credit in the quarter. Was that in line with -- and can you quantify it and was it in line with what you expected?

Michael Stoehr - ***VOXX International Corporation - SVP & CFO***

Yes, if you look at the footnotes in the subsequent events in the second quarter, we were at the time going through a review with the IRS on positions we took on foreign tax credits and R&D credits. We were successful in that we had charged the Company's taxes $6.8 million and that was reversed in the third quarter.

Sean McGowan - ***Needham & Co. - Analyst***

Okay. So it was $6.8 million. Okay. All right, thank you.

Michael Stoehr - ***VOXX International Corporation - SVP & CFO***

It's in the taxes; you'll see it.

Sean McGowan - ***Needham & Co. - Analyst***

Thank you.

Operator

James Medvedeff, Cowen and Company.

James Medvedeff - ***Cowen and Company - Analyst***

Thanks. Good morning and good morning, guys, how are you? Okay, a couple questions here. Looking forward into just near-term stuff, how should we think about growth rates in the three segments for the fourth quarter?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

Well, when we look for the fourth quarter, I think you'll see -- we're looking down for the fourth quarter within the Accessory group due to some delayed programs that were supposed to fall into the fourth quarter that will now fall into the first quarter of next year. We do have -- one of our retailers has an inventory situation that will not affect us, but some of the orders that we had slated for the fourth quarter will also move into the first quarter as they move through the inventory. It's just that they are coming up on their year-end; they are a little heavy, so they are holding up on some orders. So we're anticipating a little bit down in our Accessory business.

The OEM business, some of the call-offs, some of the closed facilities in the December timeframe will impact us, but that could be offset by the increase that we see with the resumed programs. And then within our Premium space, we're thinking that we're going to be close with where we were last year and that's looking at the fourth quarter. Our operations in Mexico will be down and as we transition out of our own facility and into distribution there, but I think that is a better situation for the long haul for us and then we have a smattering of other smaller issues that may or may not affect sales in the fourth quarter as to whether or not product will be delivered before Chinese New Year and things like that.

James Medvedeff - ***Cowen and Company - Analyst***

Great, thank you. And on expenses, also again thinking short term, you're guiding now to 2% or less growth in total expenses. Does that -- how should I take that? Should we see similar levels to the Q3 or more similar levels to year-over-year?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

It's going to be -- I would say we're projecting 2% for the year. We'll probably be a little bit up over Q3, but not by much.

James Medvedeff - ***Cowen and Company - Analyst***

Okay, thanks. And then, finally, on the share repurchase -- I'm sorry -- on the balance sheet, so $91 million of debt a quarter from now would imply -- can you say where that's coming out of? It's about $18 million lower. No -- I'm sorry -- it's about $11 million lower and is that coming out of the -- are you paying down something specific?

Michael Stoehr - ***VOXX International Corporation - SVP & CFO***

So that will be reduced on the bank lines as the working capital needs begin to contract from the fourth quarter.

James Medvedeff - ***Cowen and Company - Analyst***

So I'm showing short-term debt and current portion is only $2 million in the quarter, at the end of the quarter.

Michael Stoehr - ***VOXX International Corporation - SVP & CFO***

On November 30, yes.

James Medvedeff - ***Cowen and Company* - *Analyst***

So the bank lines are reported as long-term debt apparently?

Michael Stoehr - ***VOXX International Corporation* - *SVP & CFO***

Yes, they are. It's a five-year line of credit.

James Medvedeff - ***Cowen and Company* - *Analyst***

Okay, great. I guess that's it for me. I'll get back in the queue. Thank you.

Operator

Scott Tilghman, B. Riley.

Scott Tilghman - ***B. Riley & Co.* - *Analyst***

Thanks, good morning. I wanted -- first off, I just wanted to touch and make sure I heard you correctly, Mike. You said EBITDA guidance now is $42 million, down from $47 million?

Michael Stoehr - ***VOXX International Corporation* - *SVP & CFO***

Yes.

Pat Lavelle - ***VOXX International Corporation* - *President & CEO***

Yes.

Scott Tilghman - ***B. Riley & Co.* - *Analyst***

Okay, thank you. Then a few line item questions. On G&A, last year, you talked about some of the restructuring efforts, but I thought most of those had been broken out as separate expenses. Were there any other one-time costs in the third-quarter G&A a year ago?

Pat Lavelle - ***VOXX International Corporation* - *President & CEO***

No.

Scott Tilghman - ***B. Riley & Co.* - *Analyst***

Okay. And then on the engineering side, obviously, you've been benefiting from some of the NRE the last few quarters. What are you expecting to receive in fourth quarter?

Pat Lavelle - ***VOXX International Corporation* - *President & CEO***

Well, NRE payment's a part of the regular cycle of business that we do. I can't lay out exactly what it is that we're spending, but it would be normal with each one of the quarters. We have dates that we are required to deliver on certain milestones and based on delivering on those milestones, we are then paid the NRE. Right now, it looks as if most of the milestones that we are to achieve we will achieve. Maybe one or two will slide into the next quarter, but as far as NRE, it would be the normal pattern that you've seen.

Scott Tilghman - ***B. Riley & Co.* - *Analyst***

Okay, so you had $2 million this quarter, $2.5 million last quarter, so somewhere in that ballpark?

Pat Lavelle - ***VOXX International Corporation* - *President & CEO***

Pretty much so.

Scott Tilghman - ***B. Riley & Co.* - *Analyst***

Okay. On advertising, you called out some of the delayed advertising expenditures. Is it possible to quantify what that will be as we head into next year?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

Well, the advertising expenses are related to the launches of some of our new programs. So as we get through the new programs, we will initiate the advertising programs and the kickoff spend and everything else for those programs. Depending upon what we introduced, yes, I couldn't do it for you right now, but, yes, we could analyze those expenses and indicate what quarters they will fall into.

Scott Tilghman - ***B. Riley & Co.*** - ***Analyst***

That would be helpful. And then last, I just wanted to back into the guidance, a little back-of-the-envelope work here. It sounds like given the revenue guidance and the commentary around margins and expenses that you're looking at roughly a breakeven fourth quarter. Is that accurate?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

We expect to do better than breakeven.

Scott Tilghman - ***B. Riley & Co.*** - ***Analyst***

Great, thank you.

Operator

[Brian Cowen], [Busey Capital].

Brian Cowen - ***Busey Capital*** - ***Analyst***

Hey, guys, how are you? Just a quick question for clarity. You guys did $6.8 million on the tax. I know from the third-quarter or the last-quarter transcript, I think the number was going to be $5.9 million. So did you guys recognize all $6.8 million or maybe what was the delta between $5.9 million and the $6.8 million you guys recognized?

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

It was the accrued interest that comes over a period of time for the taxes.

Brian Cowen - ***Busey Capital*** - ***Analyst***

Okay. Great, okay, so really if I back that out, it's about $0.40 and then just a quick question, when I think about tax rate for the full year, I think you guys -- did you reiterate 36%?

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

Right. What you're going to have to do on your model -- if you're doing -- the $6.8 million on the Venezuelan bonds is not used -- it can't be used for tax deductibility. So back it out when you use the effective real rate minus the $6.8 million.

Brian Cowen - ***Busey Capital*** - ***Analyst***

Yes, that's what I'm getting at. Okay, perfect. That answers that question. And then just finally in regards to the gross margin, I appreciate you guys getting the 10-Q out so quickly, that actually is something lots of companies don't do and it's very helpful. But it leads me to this other question where it said segment experienced increase in margins due to the improved of high sales and the other area was decreasing warranty claims and increasing vendor rebates. Could you maybe segment out what that exactly meant, how much that benefited? And I didn't find that quote last year or in other Qs, so I was kind of curious what the benefit was and are those one-time in nature or did you change your warranty reserves? What was happening with vendors, could you explain that? Thanks.

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

When we look at warranty, if you go back and you look at our experience over the last few years, you'll see our warranty costs continue to improve based on the quality of the products, the quality of the customer, the nature of the customer. As more and more of our business shifts over to OEM, the warranty costs will go down based on the requirements of becoming and being an OEM supplier.

Also, as Klipsch takes a bigger percentage of our sales, these are very, very high-end products and unlike some of the more traditional consumer electronic products, they are not returned by the consumer like normal consumer electronic products would be. Therefore, we are experiencing improvements in our warranty cost.

As far as vendor rebates and things like that, better rebates are many times tied to volume incentive rebates. If they do not achieve the volume levels that we've agreed with them at the beginning of the year, we will release those rebates back into income. This is normal in our fourth quarter as we accrue as if the account will achieve their warranty, I mean their volume goals. And if they don't, we would look at it, analyze it and then determine the position. So that would be normal, but it can change based on the kind of year the retailers are having.

Brian Cowen - ***Busey Capital - Analyst***

Those are all good explanations. I mean considering that you did call it out, is there any way you could potentially say like it helped by 100 basis points? I'm just trying to get an apples-to-apples and then figure out how to model. Did you guys decide from an accounting standpoint to change the percentage on warranty this quarter so that -- I'm just trying to figure out an apples-to-apples and whether or not there was something in this quarter that helped margins by 100 basis points relative to just you guys deciding to make some slight changes.

Pat Lavelle - ***VOXX International Corporation - President & CEO***

No, you're not going to see -- no, there wasn't any one-time change that improved things by 100 basis points.

Brian Cowen - ***Busey Capital - Analyst***

Okay, great. Thank you very much. I appreciate it.

Operator

Sean McGowan, Needham.

Sean McGowan - ***Needham & Co. - Analyst***

Thank you. Do you think that the timing of the release of the 360 camera, will that be able to capture the bulk of what you would think would be outdoor sales this year? There's got to be some seasonality to action cameras, right? So will that be out in time to capture what you think you'd like to capture?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

We believe so. We're slated for a spring launch and many of our customers do set new product in spring. So those are the dates that we're looking to launch on, which will catch dads and grads in the summer season and back to school and Christmas promo and all that stuff. So yes.

Sean McGowan - ***Needham & Co. - Analyst***

Okay, a couple of others. It sounds like, if I do some calculation here, that your sales guidance for the fourth quarter is down. Obviously the full year is down, but it's more than just what we've seen through the nine months. So given the relatively better-than-expected sellthrough of some products, why would your sales guidance for the fourth quarter be less than it would have -- than what might have been applied 30, 90 days ago?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

Well, as we -- when we get into the latter part of the fourth quarter, we did have some product shortages that will affect sales in the fourth quarter because we moved out a little bit more than we anticipated and therefore the fourth quarter might be a little short on some categories, but there are some bigger impacts. We have a program for one of our outdoor speakers that is falling out of the fourth quarter and into the first quarter and as I indicated, we have a year-end close by one of our larger customers. We're watching their inventory very closely and has held up on some shipments that we had slated for the fourth quarter.

Sean McGowan - ***Needham & Co. - Analyst***

Now when you were commenting on that earlier, I think you said it wouldn't affect you. Do you mean that this is -- that their inventory access is in other categories other than yours, but it's affecting you because their (multiple speakers)?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

The inventory is in ours, but generally at this time of the year, they look very hard at overhead and inventories and things like that and try to improve their position and that is affecting some sales. This particular one is in some of our very mature product categories, so we're not concerned from that standpoint because this -- it's one of our biggest marketshare categories and it's just moving sales from one quarter to the next.

Sean McGowan - ***Needham & Co. - Analyst***

Okay. A last question for Mike. If the euro/dollar relationship stays where it is today, which is anybody's guess, can you quantify what the sales and maybe profit impact might be for the full year or for the fourth quarter rather? And obviously there's going to be more effect than what we saw in the third, right?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

The euro effect so far this year is a little over $4 million. Within our Automotive space, it's a little over $3 million. So the biggest component will fall on our Automotive sector.

Michael Stoehr - ***VOXX International Corporation - SVP & CFO***

And that will impact some of the fourth-quarter sales.

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

The fourth-quarter sales we're anticipating the euro alone should be somewhere around $2 million.

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

So when we compare this year versus last year, that's part of the decline in the fourth quarter.

Sean McGowan - ***Needham & Co.*** - ***Analyst***

Okay. Could you repeat that, Pat? Did you say you're anticipating that the euro effect would be $2 million?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

Yes, the euro effect for the fourth quarter, if things stay where they are, it looks to be like $2 million.

Sean McGowan - ***Needham & Co.*** - ***Analyst***

And that's across all the segments?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

Yes.

Sean McGowan - ***Needham & Co.*** - ***Analyst***

Okay, thank you very much.

Operator

James Medvedeff, Cowen and Company.

James Medvedeff - ***Cowen and Company*** - ***Analyst***

Thanks for taking the follow-up call. So with different things that have slipped from Q4 into Q1 and the inventory program at the customer and the understocking or the cautious approach that you took to the buying pattern, it kind of makes it a little difficult to think about how Q1 of 2016 might look. And I know you're not guiding to that right now, but -- then that would impact -- how should I think about your comments about organic growth resuming next year in light of the fact that there should be a reasonable pickup of some slippage in Q1?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

Yes, well, I think a lot of -- some of these issues that I just talked about can be offset by a number of new launches that we have planned, inventory coming in on products that we introduced where we had very, very strong demand, where we will get some replacement inventory certainly within the first quarter. And then we also have the launches scheduled for some of the -- like 360 launches scheduled for the late first quarter and then some of the new products that we've introduced at the show -- our new Dolby Atmos 5.1 surround was received very, very well at the show. We are anticipating a spring launch.

So there's a number of other things that will offset some of the issues that are facing our fourth quarter that we anticipate will more than offset and help us start to turn this trend around. I'm certainly disappointed with the fact that our top-line revenue did not achieve what we are planning, but we have so many different projects in the queue that anyone could have some serious growth impact on us as we look at 2016 fiscal.

James Medvedeff - ***Cowen and Company*** - ***Analyst***

Okay. I guess what I was asking more specifically if -- should we think about organic -- in addition to the organic growth from new products and so forth, how might the revenue that slipped from Q4 into Q1 -- how might that impact the growth rate next year?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

I don't think what's slipping from Q4 into Q1 is really going to be the thing that impacts us. I think the planned launches that we have -- when I look at year-over-year the planned launches that we have could give us some substantial new sales that will get us back on a growth curve. We have other projects that we are waiting to hear, other RFQs that if we hear within the first or second quarter of next year, we will be able to catch sales in 2016 that will add to that. And some of these programs, as I indicated in the past, are significant.

To me what slips from the fourth quarter into the first quarter is not the issue that's going to give us any growth; it's the delivery and the launches of many of the projects that we've started here at the show. Some of the RFQs that we have been working on now for a number of years that could come to fruition, those are the things that are really going to drive growth.

James Medvedeff - ***Cowen and Company*** - ***Analyst***

Okay, thanks. And then my final question is on the asset tracking product. What is the status of that in terms of the development and any sort of customer feedback or sales outlook?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

The asset tracking program is one of the programs that I was just referring to. We've got a number of RFQs, we're working on a number of potentially strong deals and it's a little too early to tell, but we may see some programs hit next year that can drive good growth. Based on the Rotterdam show that we were at, we received some very, very good response to the new products, the solar-based products with a 15-year lifecycle. We received very good response on that. We are receiving a number of RFQs to quote. So that program is moving along well and like I said, if just one of the contracts we're working on hit, it will be significant dollars for us.

James Medvedeff - ***Cowen and Company*** - ***Analyst***

Thank you.

Operator

(Operator Instructions). Bob Evans, Pennington Capital.

Bob Evans - ***Pennington Capital*** - ***Analyst***

Good morning. Can you elaborate on what gives you the confidence on the 360 product that it will be launched this spring? It's been continually delayed and I just want to get a sense of where things are at.

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

Right now, we can tell, based on the development of the software, where we are with that, that we are pretty confident that most of those issues have been worked out. We've got manufacturing scheduled and everything, so we're pretty confident that we're going to see a spring launch of that product. We've got a number of retailers, larger retailers that are anticipating that launch. So I fully expect that we will see something in the spring.

Bob Evans - ***Pennington Capital*** - ***Analyst***

Okay. And this was asked by the previous analyst a little bit, but a different way of asking. Can you comment on again organic growth and what's a reasonable expectation? In the last couple of years now with a lowered guidance, we're down single digits in terms of revenue growth and the Street has got you up I think on the revised numbers up 10% for the next fiscal year, which seems aggressive. The EBITDA decline as well. Can you comment what is a reasonable expectation on organic growth and are you confident that you can grow because we were having that thought a year ago and it was different than expected?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

I'm not going to -- we're in the budget process now as we look at the next fiscal year, so I'm going to hold until we speak again on what our anticipated growth is, but, like I said, the confidence level that you see, if you were at the show and you saw the response to the programs that we have that are about to launch, we know that in some of the categories that we're about to launch that virtually every one of our retailers that carries let's say a competing product has indicated to us they will pick up our product when it launches. These are the things that we know that we're going to have to bring in inventory for so that we can satisfy those demands. So that's why it's giving us our confidence as we move into the year.

With some of the projects that we have, this year could be a breakout year, next year could be a breakout year if some of these larger contracts come to fruition. We believe that we are in good position to deliver. We believe that we're in a good position to win, but obviously until you win and secure the contract, it's an anticipation and that's where we are. As we look at next year, as we look at our launch dates, as we look at our inventory purchases or our manufacturing schedules, we will be able to tighten down on what we see the growth rate will be next year.

Now, that also gets offset by things that happen that are unforeseen. We didn't anticipate that the euro would take as much of an impact as it has and that will affect some of our conversion of top-line revenue and gross profit, but we're in that process right now. It's a little too early for me to comment on what we see as growth for next year, but we are confident coming out of the show.

Bob Evans - ***Pennington Capital*** - ***Analyst***

Okay, thank you.

Operator

[Gary North], [GS North Company].

Gary North - ***GS North Company - Analyst***

Yes, your new product launches that are lined up seem very, very favorable and I was just wondering if you have any plans on launching a fixed -- a security version of the 360 degree camera?

Pat Lavelle - ***VOXX International Corporation - President & CEO***

Yes, we don't have anything right now because we're laser-focused on getting the action camera out, but the technology is very, very broad. There is many, many applications for the technology and we will be exploring all of that. Yes, we are getting questions for different applications based on the technology. We will explore all of that, yes.

Gary North - ***GS North Company - Analyst***

Okay, great. Thank you.

Operator

Thank you and I'm not showing any further questions in queue. I'd like to turn the call back over to Pat Lavelle for any further remarks.

Pat Lavelle - ***VOXX International Corporation - President & CEO***

Thank you. Thank you, everyone, for your interest in the Company. Like I said, coming out of the show, we've had some very good response to the new products that we've had. We've also won a number of awards. Our Dolby Atmos system home theater we expect to deliver in the spring. We believe that will start to reverse the trend on 5.1 surround. We did win a best tech award from Tech Trend magazine for our new WiSA wireless 5.1 surround. (inaudible) magazine gave us first place for our 808 headphones and our Hatteras outdoor speakers in their choice pics and Time magazine came out and gave us a 15th place finish as one of the most eye-catching exhibits here at the show and that's not bad considering there are 3,000 exhibitors here.

We are charged and excited going into fiscal 2016 and based on the success at the show, the interest in our products and new business secured during the show, we feel pretty good. So thank you for your support and interest in the Company and have a good weekend.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This concludes today's program. You may all disconnect. Everyone have a great day.