UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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) November 1, 2004

AUDIOVOX CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation)

0-28839	13-1964841
(Commission File Number)	(IRS Employer Identification No.)

180 Marcus Boulevard, Hauppauge, New York	11788
(Address of Principal Executive Offices)	(Zip Code)

(631) 231-7750
(Registrant's Telephone Number, Including Area Code)

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 1.01 Entry into a Material Definitive Agreement

On November 1, 2004, Audiovox Corporation ("the Company") and UTStarcom ("UTSI") entered into an agreement ("the Agreement") to clarify and amend specified sections of the Asset Purchase Agreement dated June 11, 2004. The Agreement, among other things, includes Quintex receivables and Vendor receivables in the definition of net assets and waives the Sarbanes-Oxley 404 condition as set forth in Section 7.02 (j) of the Asset Purchase Agreement. You should read a copy of the Agreement which is attached as Exhibit 99.1 to this report for a more complete understanding of the terms.

Item 1.02 Termination of a Material Definitive Agreement

The Company's fifth amended and restated credit agreement expired on November 1, 2004 as a result of the sale of substantially all the assets of Audiovox Communications Corp. ("ACC") to UTSI and the purchase by the Company of Toshiba Corporation's interest in ACC and the repayment by ACC of the Toshiba convertible note.

Item 2.01 Completion of Disposition of Assets

On November 1, 2004, Audiovox Corporation ("the Company") completed the sale of select assets and certain liabilities of its majority owned subsidiary Audiovox Communications Corporation ("ACC or Wireless") to UTStarcom ("UTSI") . As consideration for the sale, Audiovox Corporation received $165,100 ("Purchase Price") subject to a net working capital adjustment. If the net working capital adjustment is less than $40,000, then the Purchase Price will be adjusted downward in an amount equal to the deficiency, and if the net working capital balance exceeds $40,000, then the Purchase Price will be adjusted upwards in an amount equal to the excess. In addition, 5% of the purchase price or $8,255 has been placed in escrow for 120 days. Immediately prior to the closing of the asset sale, ACC repaid to Toshiba, a former minority interest shareholder in ACC, $8,107 as payment in full of the outstanding principal amount of the convertible note due to Toshiba and the Company purchased from Toshiba its remaining 20% interest in ACC for $5,483.

In connection with the closing, ACC's Chief Executive Officer's employment agreement with ACC was terminated and pursuant to his employment agreement and his long-term incentive compensation award he received $4,000. ACC also purchased certain of Mr. Christopher's personally held intangibles for $16,000. In addition, the Company's Chairman and Chief Executive Officer received $1,916 upon the closing of the asset sale pursuant to an amendment to a long-term incentive compensation award.

A copy of the press release discussing the completion of this sale is attached hereto as Exhibit 99.2.

The sale of select assets and certain liabilities of the Wireless business is more fully described in the Company's definitive proxy statement on Schedule 14A, filed with the Securities and Exchange Commission on October 7, 2004.

Item 5.02 Departure of Principal Officer

Effective November 1, 2004, Philip Christopher resigned his position as Executive Vice President of the Company.

Item 8.01 Other Events

On November 1, 2004, the Company obtained a credit line to fund the short-term working capital needs of the Company. This line expires on January 31, 2005 and allows aggregate borrowings of up to $25,000 at an interest rate of Prime (or similar designations) plus 1%. A copy of this credit line arrangement is annexed hereto as Exhibit 99.3.

On November 2, 2004 at 10:00 a.m., the Company held a conference call to discuss its financial results for the quarter ended August 31, 2004. The Company has prepared a transcript of that conference call, a copy of which is annexed hereto as Exhibit 99.4.

Item 9.01 Financial Statements and Exhibits

Unaudited Pro Forma Financial Statements

The following unaudited pro forma financial statements give effect to the sale of substantially all of the assets (excluding certain receivables) and the assumption by UTStarcom ("UTSI") of certain liabilities (excluding intercompany accounts payable, income taxes, subordinated debt and certain accrued expenses), relating to our wireless business. The unaudited pro forma consolidated balance sheet and statements of earnings filed with this report are presented for illustrative purposes only. The pro forma balance sheet as of August 31, 2004 has been prepared to reflect the sale of substantially all of the assets and the assumption by UTSI of certain liabilities, relating to our wireless business to UTSI as if such sale had taken place on August 31, 2004, and is not necessarily indicative of the financial position of the Company had such sale occurred on that date. The pro forma statements of earnings for the nine months ended August 31, 2004 and the year ended November 30, 2003 have been prepared assuming that the transaction occurred as of the beginning of each of these periods, and are not necessarily indicative of the results of operations for future periods or the results that actually would have been realized had we sold the select assets and liabilities of our wireless business as of those dates. The pro forma financial statements, including notes thereto, should be read in conjunction with the historical financial statements of the Company included in our Form 10-K/A for the year ended November 30, 2003, and the unaudited financial statements filed in our Form 10-Q for the quarter ended August 31, 2004.

Our wireless business consisted of ACC and Quintex Mobile Communications Corp., or Quintex, which is a wholly-owned subsidiary of ACC. ACC markets wireless handsets and accessories primarily on a wholesale basis to wireless carriers in the United States and carriers overseas primarily in the CDMA (Code Division Multiple Access) market. Quintex is a small operation for the direct sale of handsets, accessories and wireless telephone service. Quintex also receives residual fees and activation commissions from the carriers.

Costs and expenses attributed to the Wireless business include direct costs primarily associated with that business as well as interest and certain shared expenses, including treasury, legal and human resources, based upon estimated usage. Certain items are maintained at the Company's corporate headquarters (Corporate) and are not allocated to the Wireless business. They primarily include costs associated with accounting and certain executive officer salaries and bonuses and certain items including investment securities, equity investments, deferred income taxes, certain portions of excess cost over fair value of assets acquired, jointly-used fixed assets and debt. The jointly-used fixed assets are Audiovox's management information systems, which is jointly used by the wireless and electronics businesses and Corporate. A portion of the management information systems costs, including depreciation and amortization expense, are allocated to the segments based upon estimates made by management. As such, these financial statements do not reflect other non-direct cost savings that may occur as a result of focusing our efforts on just our consumer electronics business going forward.

The following unaudited pro forma consolidated balance sheet represents the August 31, 2004 balance sheet adjusted to reflect the sale of the Wireless business, pursuant to the asset purchase agreement, as if such transaction had taken place on August 31, 2004:

Pro forma Consolidated Balance Sheet
As of August 31, 2004
(Unaudited, in thousands, except per share data)

	As Reported August 31, 2004	(Net Assets To Be Sold)/ Consideration to be Received	Other Pro Forma Adjustments	Pro Forma August 31, 2004
Assets				
Current assets:				
Cash	$ 8,592	$ 177,231 (a)	$(109,062) (f)	$ 33,155
		(13,590) (b)	(1,916) (g)	
		(28,100) (c)	-	
Amounts due from UTSI	-	8,255 (c)	-	8,255
Accounts receivable, net	222,120	(1,684) (d)	-	220,436
Inventory	165,126	-	-	165,126
Receivables from vendors	11,092	(4,341) (d)	-	6,751
Prepaid expenses and other current assets	10,477	(541) (d)	-	9,936
Deferred income taxes	8,196	-	-	8,196
Assets held for sale	170,646	(170,646) (d)	-	-
Total current assets	596,249	(33,416)	(110,978)	451,855
Investment securities	7,548	-	-	7,548
Equity investments	13,138	-	-	13,138
Property, plant and equipment, net	18,896	-	-	18,896
Excess cost over fair value of assets acquired	7,195	(717) (b)	-	7,019
		541 (d)		
Intangible assets	8,043	-	-	8,043
Other assets	458	-	-	458
	$ 651,527	$ (33,592)	$(110,978)	$ 506,957
Liabilities and Stockholders' Equity				
Current Liabilities:				
Accounts payable	$ 28,199	$ -	$ -	$ 28,199
Accrued expenses and other current liabilities	24,810	1,013 (d)	-	25,823
Accrued sales incentives	7,419	-	-	7,419
Income taxes payable	12,456	-	-	12,456
Bank obligations	117,597	-	(109,062)(f)	8,535
Current portion of long-term debt	10,320	(8,107) (b)	-	2,213
Liabilities related to assets held for sale	87,189	(87,189) (d)	-	-
Total current liabilities	287,990	(94,283)	(109,062)	84,645
Long-term debt	7,388	-	-	7,388
Capital lease obligations	6,022	-	-	6,022
Deferred income taxes	1,523	-	-	1,523
Deferred compensation	6,089	-	-	6,089
Total liabilities	309,012	(94,283)	(109,062)	105,667
Minority interest	6,689	(6,200) (b)	-	489

	As Reported August 31, 2004	(Net Assets To Be Sold)/ Consideration to be Received	Other Pro Forma Adjustments	Pro Forma August 31, 2004
Commitments and contingencies				
Stockholders' equity:				
Preferred stock	2,500	-	-	2,500
Common stock:				
Class A	208	-	-	208
Class B	22	-	-	22
Paid in capital	252,752	572 (c)	-	253,324
Retained earnings	91,526	421 (e)	-	156,350
		66,319 (c)	(1,916) (g)	
Accumulated other comprehensive loss	(2,685)	(421) (e)	-	(3,106)
Treasury stock, at cost	(8,497)	-	-	(8,497)
Total stockholders' equity	335,826	66,891	(1,916)	400,801
Total liabilities and stockholders' equity	$ 651,527	$ (33,592)	$(110,978)	$ 506,957

In connection with the asset purchase agreement, the following adjustments were recorded:

(a) Proceeds to be received at the closing of sale of our wireless business. The purchase price of $165,100 was affected by the following:

(i) $25,000 payment to former wireless employees, which includes $20,000 to the ACC CEO, for the purchase of intangibles and termination of his employment agreement. This payment is being recorded as a reduction to the gain at the time of closing.

(ii) $4,000 of accruals for estimated legal, accounting and other acquisition costs.

(iii) $49,386 positive working capital adjustment. Pursuant to the asset purchase agreement, if the net working capital balance at the time of closing is less than $40,000, then the purchase price will be adjusted downward in an amount equal to the deficiency, and if the net working capital balance exceeds $40,000, then the purchase price will be adjusted upwards in the amount equal to the excess. Subsequent to the signing of the asset purchase agreement, the Company and UTSI entered into an agreement whereby UTSI would acquire certain receivables and additional accrued expenses. These items are recorded as an adjustment to the working capital adjustment.

(iv) In accordance with the Asset Purchase Agreement, $8,255 (5% of the purchase price) will be placed in escrow by UTSI for a limited amount of time after closing.

(b) (i) Cash paid to Toshiba, minority stockholder in ACC for the following:

(a) debt of $8,107 and;

(b) $5,483 for Toshiba's 20% minority interest in ACC. Toshiba's 20% minority interest had a book value of $6,200 at August 31, 2004, resulting in a gain of $717.

(ii) On June 9, 2004, Audiovox purchased 5% of Toshiba's minority interest in ACC for $1,410. Toshiba's 5% minority interest in ACC had a book value of $1,234 at May 31, 2004, resulting in goodwill of $176.

(c) Reflects estimated taxes of $28,100 and the after-tax pro forma gain of $66,319 which would be recognized on the sale of our wireless business had the transaction occurred on August 31, 2004. The after-tax pro forma gain of $66,319 is calculated by subtracting the net proceeds of pro forma adjustment (a) of $177,231 less:

(i) the net book value of ACC net assets sold of $90,495;

(ii) estimated taxes of $28,100; and

(iii) a non-cash compensation charge of $572. In connection with the sale of wireless to UTSI, certain ACC employee stock options under the 1997 Stock Option Plan and 1999 Stock Compensation Plan will be extended for one year from the closing. If the sale to UTSI occurred on August 31, 2004, this extension would result in a remeasurement of stock options and would result in a non-cash stock compensation charge of $572 in accordance with FIN 44.

In accordance with the Asset Purchase Agreement, $8,255 (5% of the purchase price) will be placed in escrow by UTSI for a limited amount of time after closing. These escrow amounts are expected to be collected from UTSI and have been included in the above gain calculation.

(d) Assets sold to and liabilities assumed by UTSI under the asset purchase agreement and additional agreement. These unaudited amounts represent ACC assets and liabilities which would be sold to UTSI if the transaction had occurred on August 31, 2004.

(e) Realization of wireless Canadian cumulative translation gains.

As a result of the other transactions which would occur pursuant to the asset purchase agreement, the following additional pro forma adjustments were recorded:

(f) The Company's credit agreement for domestic ban obligations will expire and become due upon the consummation of sale of ACC's assets to UTSI. As a result of the cash proceeds received, Audiovox would repay domestic bank obligations.

(g) Payment of $1,916 due to Mr. Shalam, Audiovox CEO, for Long Term Incentive Compensation Award related to ACC stock appreciation rights granted on May 29, 2002. These stock appreciations rights were granted in order to reward Mr. Shalam if a controlling interest in ACC was acquired by a third party. The sale of ACC assets to UTSI and Audiovox's exit from the wireless business was deemed to be a change in the controlling interest of ACC as UTSI will be controlling and operating the wireless business. Accordingly, this payment from Audiovox will be an operating charge to Audiovox Corporation at the time of closing.

The following pro forma and unaudited statement of earnings for the nine months ended August 31, 2004, represents the results of operations as if the sale of the wireless business pursuant to the asset purchase agreement occurred on November 30, 2003:

Pro Forma Consolidated Statement Of Earnings
For The Nine Months Ended August 31, 2004
(Unaudited, in thousands, except share and per share data)

	As Reported	Pro Forma Adjustments	Pro Forma Reported
Net sales	$ 417,533	$ --	$ 417,533
Cost of sales	351,406	--	351,406
Gross profit	66,127	--	66,127
Operating expenses:			
Selling	23,144	--	23,144
General and administrative	36,200	(371) (a)	35,829
Warehousing and technical support	3,404	--	3,404
Total operating expenses	62,748	(371)	62,377
Operating income	3,379	371	3,750
Other income (expense):			
Interest and bank charges	(2,682)	420 (b)	(2,262)
Equity in income of equity investees	3,706	--	3,706
Other, net	1,663	414 (c)	2,077
Total other income (expense), net	2,687	834	3,521
Income from continuing operations before provision for income taxes, minority interest and discontinued operations	6,066	1,205	7,271
Provision for income taxes	3,042	500 (d)	3,542
Minority interest expense	(710)	--	(710)
Income from continuing operations	2,314	705	3,019
Income from discontinued operations, net of tax	8,577	(8,577) (e)	--
Net income	$ 10,891	$ (7,872)	$ 3,019
Earnings per common share (basic)			
From continuing operations	$ 0.11		$ 0.14
From discontinued operations	0.39		--
Net income per common share (basic)	$ 0.50		$ 0.14
Earnings per common share (diluted)			
From continuing operations	$ 0.10		$ 0.14
From discontinued operations	0.39		--
Net income per common share (diluted)	$ 0.49		$ 0.14
Weighted average number of common shares outstanding (basic)	21,945,364		21,945,364
Weighted average number of common shares outstanding (diluted)	22,363,733		22,363,733

Pro forma adjustments to reflect the sale of the wireless business to UTSI pursuant to the asset purchase agreement include:

(a) Reversal of bonus expense for Audiovox Corporation officers based on ACC pre-tax income.

(b) Represents reduction of interest expense that would be recognized due to the payment of domestic bank obligations.

(c) Rental income which would be recorded by Audiovox Corporation in connection with an operating lease between Audiovox Corporation and ACC, which currently requires monthly lease payments of $46. Audiovox Corporation and UTSI anticipate extending such lease subsequent to closing. As such, rental income of $414 ($46 times 9 months) for the nine months has been recorded.

(d) Tax effect of pro forma adjustments.

(e) Elimination of operating results of the wireless business.

In addition, costs and expenses attributed to the wireless business include direct costs primarily associated with that business as well as interest and certain shared expenses, including treasury, legal and human resources. As such, these financial statements do not reflect other non-direct cost savings that may occur as a result of focusing our efforts on just the continuous monitoring business going forward.

The following pro forma and unaudited statement of operations for the year ended November 30, 2003 represents the results of operations as if the sale of the wireless business pursuant to the asset purchase agreement occurred on November 30, 2002 and includes adjustments relating to the Recoton acquisition (see footnote 1).

Pro Forma Consolidated Statement Of Operations
For The Fiscal Year Ended November 30, 2003
(Unaudited, in thousands, except share and per share data)

	Revised As Reported(1)	Pro Forma Adjustments(a)	Other Adjustments	Pro Forma Reported
Net sales	$ 1,366,763	$ (806,210)	$ -	$ 560,553
Cost of sales	1,253,092	(768,233)	-	484,859
Gross profit	113,671	(37,977)	-	75,694
Operating expenses:				
Selling	33,413	(10,959)	-	22,454
General and administrative	94,050	(16,773)	800 (b) (225)(c)	77,852
Warehousing and technical support	5,029	(2,827)	-	2,202
Total operating expenses	132,492	(30,559)	575	102,508
Operating income (loss)	(18,821)	(7,418)	(575)	(26,814)
Other income (expense):				
Interest and bank charges	(6,189)	1,752	1,417(d) (1,166)(e)	(4,186)
Equity in income of equity investees	3,279	54		3,333
Other, net	739	(5)	552 (f)	1,286
Total other income (expense), net	(2,171)	1,801	803	433
Income (loss) before provision for income taxes and minority interest	(20,992)	(5,617)	228	(26,381)
Provision for (recovery of) income taxes	(6,447)	(1,776)	95 (g)	(8,128)
Minority interest (expense)	(390)	1,066	-	676
Net income (loss)	$ (14,935)	$ (2,775)	$ 133	$ (17,577)
Net income (loss) per common share (basic)	$ (0.68)			$ (0.80)
Net income (loss) per common share (diluted)	$ (0.68)			$ (0.80)
Weighted average number of common shares outstanding (basic)	21,854,610			21,854,610
Weighted average number of common shares outstanding (diluted)	22,054,320			22,054,320

Pro forma and other adjustments to reflect the sale of the wireless business to UTSI pursuant to the asset purchase agreement include:

(a) Elimination of operating results of the wireless business.

(b) Reflects Corporate allocations which were originally charged to ACC, that would be recorded as an expense of Audiovox Corporation.

(c) Reversal of bonus expense for Audiovox Corporation officers based on ACC pre-tax income.

(d) Represents reduction of interest expense that would be recognized due to the payment of domestic bank obligations.

(e) Reversal of Audiovox Corporation intercompany interest income received from ACC.

(f) Rental income which would be recorded by Audiovox Corporation in connection with an operating lease between Audiovox Corporation and ACC, which currently requires monthly lease payments of $46. Audiovox Corporation and UTSI anticipate extending such lease subsequent to closing. As such, rental income of $552 ($46 times 12 months) for twelve months has been recorded.

(g) Tax effect of pro forma adjustments.

In addition, costs and expenses attributed to the wireless business include direct costs primarily associated with that business as well as interest and certain shared expenses, including treasury, legal and human resources. As such, these financial statements do not reflect other non-direct cost savings that may occur as a result of focusing our efforts on just the continuous monitoring business going forward.

(1) On July 8, 2003, the Company acquired certain operations of Recoton Corporation. The Revised As Reported amounts include pro forma adjustments of the Recoton acquisition, and the following table displays a reconciliation between the "As Reported" amounts in the Company's November 30, 2003 Form 10-K:

	As Reported	Pro Forma Adjustments (2)	Other Adjustments (3)	Revised As Reported
Net sales	$ 1,323,902	$ 69,238	$ (26,377)	$ 1,366,763
Cost of sales	1,199,696	68,786	(15,390)	1,253,092
Gross profit	124,206	452	(10,987)	113,671
Operating expenses:				
Selling	36,514	--	(3,101)	33,413
General and administrative	60,106	38,838	(4,894)	94,050
Warehousing and technical support	5,783	--	(754)	5,029
Total operating expenses	102,403	38,838	(8,749)	132,492
Operating income (loss)	21,803	(38,386)	(2,238)	(18,821)
Other income (expense):				
Interest and bank charges	(4,602)	(2,244)	657	(6,189)
Equity in income of equity investees	3,279	--	--	3,279
Other, net	556	--	183	739
Total other income (expense), net	(767)	(2,244)	840	(2,171)
Income (loss) before provision for income taxes and minority interest	21,036	(40,630)	(1,398)	(20,992)
Provision for (recovery of) income taxes	9,407	(14,574)	(1,280)	(6,447)
Minority interest (expense)	(390)	--	--	(390)
Net income (loss)	$ 11,239	$ (26,056)	$ (118)	$ (14,935)
Net income (loss) per common share (basic)	$ 0.51			$ (0.68)
Net income (loss) per common share (diluted)	$ 0.51			$ (0.68)
Weighted average number of common shares outstanding (basic)	21,854,610			21,854,610
Weighted average number of common shares outstanding (diluted)	22,054,320			22,054,320

(2) Represents pro forma adjustments as if the Recoton acquisition occurred on November 30, 2002.

(3) Represents actual Recoton results included in the statement of operations beginning on July 8, 2003. These amounts are removed from operating results because pro forma adjustment (2) includes pro forma results for the full fiscal year.

In addition, costs and expenses attributed to the wireless business include direct costs primarily associated with that business as well as interest and certain shared expenses, including treasury, legal and human resources. As such, these financial statements do not reflect other non-direct cost savings that may occur as a result of focusing our efforts on just the continuous monitoring business going forward.

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 (Registrant)

Date: November 5, 2004

/s/ Charles M. Stoehr

Charles M. Stoehr
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Agreement between Audiovox Corporation and UTStarcom dated November 1, 2004 (filed herewith).
99.2	Press release entitled "Audiovox Corporation Completes Sale of Cellular Subsidiary to UTStarcom" (filed herewith).
99.3	Credit Line Agreement with JP Morgan Chase (filed herewith).
99.4	Transcript of conference call held on November 2, 2004 at 10:00 a.m. (filed herewith).

UTSTARCOM, INC.
1275 Harbor Bay Parkway
Alameda, CA 94502

November 1, 2004

Charles M. Stoehr
Audiovox Corporation
150 Marcus Blvd.
Hauppauge, NY 11788

Philip Christopher
Audiovox Communications Corp.
555 Wireless Blvd.
Hauppauge, NY 11788

Gentlemen:

Reference is hereby made to the Asset Purchase Agreement, dated as of June 11, 2004 (the "Purchase Agreement"), by and among Audiovox Communications Corp., Quintex Mobile Communications Corporation, Audiovox Communications Canada Co., UTStarcom, Inc., UTStarcom Canada Company and, with respect to specified sections thereof, Audiovox Corporation. Terms used but not defined herein shall have the respective meanings assigned to such terms in the Purchase Agreement. References to Sections and definitions are those contained in the Purchase Agreement. Please indicate your agreement to the following by signing below.

1. Closing Date. The Closing will occur on November 1, 2004, as soon as practicable following the Audiovox Stockholders Meeting.

2. Date of Closing Balance Sheet.

a. Definition of Closing Statement of Inventories: The phrase "as of 5:30 p.m. EST on the date of the Closing" in the definition of Closing Statement of Inventories shall be amended to read as follows:

"as of 11:59 p.m. New York City time on October 31, 2004";

b. Definition of Closing Statement of Net Assets: The phrase "as of the close of business on the date of the Closing" in the definition of Closing Statement of Net Assets shall be amended to read as follows:

"as of 11:59 p.m. New York City time on October 31, 2004";

c. Definition of Excluded Taxes: Clause (ii) of the second sentence of the definition of "Excluded Taxes" shall be amended to read as follows:

"Taxes (other than Property Taxes) relating to the Purchased Assets for the Pre-Closing Tax Period shall be computed as if such taxable period ended at 11:59 p.m. New York City time on October 31, 2004";

d. Definition of Post-Closing Tax Period: The definition of Post-Closing Tax Period shall be amended to read:

"any taxable period (or portion thereof) beginning on November 1, 2004";

e. Definition of Pre-Closing Tax Period: The definition of Pre-Closing Tax Period shall be amended to read:

"any taxable period (or portion thereof) ending on or prior to October 31, 2004";

f. Definition of Preliminary Statement of Net Assets: The phrase "as of the close of business on the date of the Closing" in the definition of Preliminary Statement of Net Assets shall be amended to read:

"as of 11:59 p.m. New York City time on October 31, 2004";

g. Definition of Receivables Listing: The phrase "as of 5:30 p.m. EST on the date of the Closing" in the definition of Receivables Listing shall be amended to read:

"as of 11:59 p.m. New York City time on October 31, 2004";

h. Straddle Period: the definition of Straddle Period shall be amended to read:

"means any taxable period beginning prior to and ending on or after November 1, 2004;

i. Section 2.01(b)(viii): Section 2.01(b)(viii) shall be amended to read:

"all Receivables of the Business (except for the Acquired Receivables) as of 11:59 p.m. on October 31, 2004";

j. Section 2.07(a)(ii): The phrase "as of the close of business on the date of the Closing" shall be amended to read:

"as of 11:59 p.m. New York City time on October 31, 2004";

k. Section 5.14: the phrase "first ending after the Closing" in the fourth sentence of Section 5.14 shall be amended to read:

"first ending after November 1, 2004;"

l. Section 5.18(a): The phrase "12:01 A.M on the day after the date of the Closing" in Section 5.18(a) shall be amended to read:

"12:01 A.M. New York City time on November 1, 2004";

m. Section 5.18(b): The phrase "12:01 A.M on the day after the date of the Closing" in Section 5.18(b) shall be amended to read:

"12:01 A.M. New York City time on November 1, 2004";

n. Section 5.18(c): The phrase "from and after the day after the date of the Closing" in Section 5.18(c) shall be amended to read:

"from and after November 1, 2004".

3. Waiver of 404 Condition. The condition set forth in Section 7.02(j) of the Purchase Agreement and any obligation of the Seller to satisfy such condition shall be waived and shall not be applicable. Neither the Seller nor the Purchaser shall have any obligations pursuant to Section 5.25 of the Purchase Agreement.

4. Return of Inventory. Exhibit A to the Purchase Agreement (Rules for Valuing Inventory) shall be amended by adding the following paragraph at the end of such Exhibit:

"In addition, if, during the Collection Period, a Customer returns Inventories and the Per Customer Amount of such Customer is reduced, the Closing Statement of Inventories shall be adjusted upward as if such Inventories had been owned by the Sellers as of October 31, 2004; provided, that, notwithstanding anything to the contrary in this Exhibit A, such returned Inventories shall be valued in accordance with GAAP at the time such Inventories are returned ."

5. Vendor and Quintex Receivables.

a. Additional Definitions: The Agreement shall be amended to include the following defined terms in the appropriate alphabetical order:

""Acquired Receivables" means the Quintex Receivables and the Specified Vendor Receivables."

""Quintex Receivables" means any and all accounts receivable, notes and other amounts receivable from third parties, including Vendors, customers and employees, arising from the conduct of the Business and owed to Quintex, whether or not in the ordinary course, together with any unpaid financing charges accrued thereon, as determined in accordance with GAAP."

""Specified Vendor Receivables" means the Receivables of the Vendors set forth on Exhibit B hereto."

b. Addition of Exhibit B to the Purchase Agreement: A new Exhibit B shall be added to the Purchase Agreement in the form set forth as Annex A to this letter.

c. Definition of Interim Statement of Net Assets: The definition of "Interim Statement of Net Assets" shall be amended to read as follows:

> ""Interim Statement of Net Assets" means the statement of Net Assets (including a calculation of the Net Working Capital Balance) of the Business, dated as of February 29, 2004, a copy of which is set forth in Section 3.04(a)(i) of the Disclosure Schedule; provided; however, that the Interim Statement of Net Assets shall not include the Acquired Receivables."

d. Definition of Net Assets: Clause (a) of the definition of Net Assets shall be amended to read as follows:

> "(a) the sum of Acquired Receivables, Inventories, Prepaids and other Current Assets, Property, Plant and Equipment, and Other Long-Term Assets Included in the Purchased Assets and"

e. Definition of Net Working Capital Balance: Clause (a) of the definition of "Net Working Capital Balance" shall be amended to read as follows:

> "(a) the sum of Acquired Receivables, Inventories and Prepaids and other Current Assets, and"

f. Definition of Preliminary Net Working Capital Balance: Clause (a) of the definition of "Preliminary Net Working Capital Balance" shall be amended to read as follows:

> "(a) the sum of Acquired Receivables, Inventories and Prepaids and other Current Assets, and"

g. Definition of Receivables Listing: The last sentence of the definition of "Receivables Listing" shall be amended to read as follows:

> "The Receivables Listing shall not include any Vendor Receivables or Acquired Receivables."

h. Section 2.01(iv): Section 2.01(iv) shall be amended to read as follows:

> "the Acquired Receivables and all Inventories;"

b. Section 2.09(a): The proviso in Section 2.09(a) shall be amended to (x) delete the word "and" prior to the "(ii)" and replace it with "," and (y) add the following language at the end of the proviso:

> " and (iii) the foregoing provisions of this Section 2.09(a) shall not apply to the Acquired Receivables".

6. Letters of Credit. If, from and after November 1, 2004, any letter of credit established by Audiovox or Seller for the benefit of the Business is properly drawn down or used, UTStarcom shall pay to Audiovox or Seller, as applicable,

an amount equal to the amount by which the letter of credit was drawn down or used. Such payment shall be made by UTStarcom to Audiovox or Seller, as applicable, by wire transfer of immediately available funds within two Business Days after receiving notice of such draw down or use to Keith San Felipe or his designee.

7. Pre-Payments to Vendors. The definition of "Prepaids and other Current Assets" shall be amended to read:

> "(i) pre-payments made to Vendors of the Business related to operating costs or for raw materials, components, spare parts, supplies, goods, merchandise or services, which have not been used or provided, (ii) pre-payments of real estate taxes and (iii) the value of non-cash assets used in the Business due within one year as determined in accordance with GAAP.".

8. Assignment; Designation. Pursuant to Section 10.05, the Purchaser has designated its wholly-owned subsidiary, UTStarcom Personal Communications, LLC ("UPC LLC"), as the entity to which the Seller will convey certain of the Purchased Assets and which will assume certain of the Assumed Liabilities and has assigned to UPC LLC certain of its rights and obligations under the Purchase Agreement. The Purchaser acknowledges and agrees that, notwithstanding such assignment (or any further assignment by UPC LLC or its assignees), it shall remain fully liable for all of its obligations as well as the obligations of Purchaser's Affiliates under the Purchase Agreement, any Ancillary Agreement and the transactions contemplated by the Purchase Agreement.

9. Third Party Consents. For purposes of clarity, nothing contained in any third party consent delivered in connection with the Closing or pursuant to the Purchase Agreement shall modify or amend the provisions of the Purchase Agreement as between the Seller and the Purchaser.

10. Replication Service. Pursuant to Section 5.22 of the Purchase Agreement, Audiovox and the Seller were to have completed the Replication Service on or prior to the Closing. The following portions of the Replication Service will not be completed by Closing and the Parties hereby agree as follows:

a. Within ninety days of Closing, Audiovox shall separate out Purchaser's JDE environments (test and production) onto hardware separate from Audiovox's hardware. The Purchaser's JDE environments shall provide the same functionality and level of service as ACC was getting as of the time just prior to Closing and shall also be integrated with the back-end Webstore that Audiovox will continue to use. The hardware brand and configuration used will be mutually agreed upon by Purchaser and Seller in good faith prior to implementation.

b. Within ninety days of Closing, Audiovox shall separate out Purchaser's Lotus Notes email environment from Audiovox's environment onto a separate server for Purchaser so that Purchaser's email environment can be operated and managed independently.

c. Within ninety days of Closing, Audiovox shall separate out the DNS/DHCP Services for Purchaser onto a separate server so that Purchaser's network can be independent of Audiovox's network.

d. With respect to the website www.audiovox.com, effective on Closing and continuing for the Term of the Transition Services Agreement, Audiovox will make and maintain the appropriate, agreed upon changes within the Wireless Products webpages to reflect the UTStarcom acquisition and Audiovox will also continue to support, on behalf of Purchaser, the Wireless Products accessories transaction sales that come through the webpages to the webstore.

e. Purchaser shall not be obligated to make any other payments to Audiovox or Seller with respect to completion of the work set forth in (a) -(d) (including any expenses incurred by Audiovox or Seller for hardware acquisition and maintenance) beyond the $70,000 limit referenced in Section 5.22 of the Purchase Agreement.

Except as set forth herein or as later modified, amended or waived in accordance with the Purchase Agreement, all other provisions of the Purchase Agreement shall remain in full force and effect.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that State. All disputes arising out of this letter agreement shall be resolved in accordance with Section 10.09 of the Purchase Agreement.

Exhibit 99.1

This letter agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Sincerely,

UTSTARCOM, INC.

By: /s/ Hong Liang Lu

Name: Hong Liang Lu
Title: Chairman, President and Chief Executive Officer

UTSTARCOM CANADA COMPANY

By: /s/ Hong Liang Lu

Name: Hong Liang Lu
Title: Chairman, President and Chief Executive Officer

Accepted and agreed to as of the date set forth above:

AUDIOVOX CORPORATION

By: /s/ Charles M. Stoehr

Name: Charles M. Stoehr
Title: Sr. Vice President and Chief Financial Officer

Exhibit 99.1

AUDIOVOX COMMUNICATIONS CORP.

By: /s/ Charles M. Stoehr

Name: Charles M. Stoehr
Title: Vice President

QUINTEX MOBILE COMMUNICATIONS
CORPORATION

By: /s/ Charles M. Stoehr

Name: Charles M. Stoehr
Title: Vice President

AUDIOVOX COMMUNICATIONS
CANADA CO.

By: /s/ Charles M. Stoehr

Name: Charles M. Stoehr
Title: Vice President

cc: Robert S. Levy
Jonathan Adler
Carmen Chang

Exhibit 99.1

FOR IMMEDIATE RELEASE

AUDIOVOX CORPORATION COMPLETES SALE
OF CELLULAR SUBSIDIARY BUSINESS TO UTSTARCOM

Hauppauge, NY, November 1, 2004 . . . Audiovox Corporation (NASDAQ: VOXX) announced today that it has completed the sale of its cellular subsidiary's business, Audiovox Communications Corp. (ACC) to UTStarcom, Inc. (NASDAQ: UTSI). The deal, initially announced in June, officially closed this afternoon after receiving regulatory and shareholder approval.

As previously announced, Audiovox's majority owned subsidiary entered into a definitive agreement to sell selected assets and liabilities (excluding its receivables, inter-company accounts payable, and certain accrued expenses) to UTStarcom for a total purchase price of $165.1 million in cash. Pursuant to the terms of the agreement, net proceeds from the sale, after repurchasing Toshiba's equity interest; paying executive and professional service fees and estimated taxes; collecting the outstanding receivables and paying down the Company's bank lines will be approximately $145 million.

"We are pleased with the overwhelming shareholder response in favor of this transaction as it reinforces our belief that this sale is in the best interests of Audiovox and its shareholders. In the months ahead our plans are to focus on the continued development and growth of our Electronics company as well as exploring other business opportunities," stated John J. Shalam, Chairman, President and Chief Executive Officer of Audiovox Corporation. "Over the past three years, our Electronics company has seen significant growth as we have added new product categories and expanded existing ones. In addition, we have made several synergistic acquisitions, which have also contributed to growth." Shalam continued, "The net proceeds from today's transaction will give Audiovox Corporation substantial capital, which in turn will place us in a strong position to further enhance the Audiovox brand and expand our presence, both in the U.S. and in Europe. We are excited about the next phase in our corporate evolution and look forward to updating our shareholders on our plans for the future as they materialize."

As previously announced, Audiovox will be hosting a conference call tomorrow morning, Tuesday, November 2, 2004 at 10:00 a.m. EDT to discuss this transaction, its fiscal third quarter and nine-month results and its electronics business component. Interested parties can participate by logging onto the Audiovox website at http://www.audiovox.com under "Investor Relations". For those who will be unable to participate on the call, a replay has been arranged

Exhibit 99.2

and will be available approximately one hour after the call has been completed and will last for one week thereafter.

- Replay Number: (888) 286-8010
- International Replay Number: (617) 801-6888
- Access Code: 88849225

About Audiovox

Audiovox Corporation is a leading international distributor and value added service provider in the consumer electronics industry. The Company conducts its business through subsidiaries and markets its products both domestically and internationally under its own brands. It also functions as an OEM (Original Equipment Manufacturer) supplier to several customers. For additional information, please visit Audiovox on the Web at http://www.audiovox.com.

Safe-Harbor Language

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 statement. 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 mobile and consumer electronics 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; 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 Audiovox 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/A for the fiscal year ended November 30, 2003 and Form 10-Q for the fiscal 2004 third quarter ended August 31, 2004.

Company Contact:	Public and Investor Relations Contact:
C. Michael Stoehr, SVP/CFO	Glenn Wiener
Audiovox Corporation	GW Communications
(631) 231-7750	(212) 786-6011 or GWIENER@GWCCO.COM

# # # # #

Exhibit 99.2

MASTER GRID NOTE
(Prime and Fixed Rate Options Only)

$25,000,000 Hauppauge, N.Y.

Date: November 1, 2004

On the due date for each Advance or on Demand (as recorded on the grid attached hereto or on any additional pages thereof), but in any event on January 31, 2005 if outstanding on such date, for value received, the undersigned hereby promises to pay to the order of JPMORGAN CHASE BANK (hereinafter the "Bank") at its offices at 395 North Service Road, Melville, New York, the principal sum of the aggregate unpaid principal amount of each Advance (as recorded on the grid attached hereto or on any additional pages thereof) made by the Bank to the undersigned. The undersigned further promises to pay interest on the unpaid principal amount of each Advance (computed on the basis of the actual number of days elapsed on the basis of a 360- day year) on 11/30/2004 (specific date) and the last day of each month (insert "month", "third month", "quarter", etc.) thereafter, and at maturity, at the per annum rate of interest recorded for such Advance on the grid attached hereto or on any additional pages thereof, but in no event higher than the maximum interest rate permitted under applicable law. Advances for which the designated rate of interest is or includes "Prime Rate", "Prime", "P" or similar designations (e.g., "P + 1% ") shall be read to refer to a floating rate equaling or based upon the Bank's Prime Rate, and shall be adjusted automatically on the date of each change thereof. Prime Rate shall be the rate of interest as is publicly announced at the Bank's principal office from time to time as its prime rate. Interest on any past due amount, whether at the due date thereof or by acceleration, shall be paid at a rate of four percent (4%) per annum in excess of the above stated rate, but in no event higher than the maximum permitted under applicable law. Time for payment extended by law shall be included in the computation of interest. The date, amount, rate of interest and maturity date of each Advance and payment(s) (if any) of principal, the Advance(s) to which such payment(s) will be applied (which shall be at the discretion of the Bank) and the outstanding principal balance of Advances shall be recorded by the Bank on its books and records (which may be electronic in nature) and at any time and from time to time may be, and shall be prior to any transfer and delivery of this Note, entered by the Bank on the schedule attached or any continuation of the schedule attached hereto by the Bank (at the discretion of the Bank, any such entries may aggregate Advances (and payments thereon) with the same interest rate and tenor and, if made on a given date, may show only the Advances outstanding on such date). Any such entries shall be conclusive in the absence of manifest error. The failure by the Bank to make any or all such entries shall not relieve the undersigned from its obligation to pay any and all amounts due hereunder.

If any principal of this note which bears interest at a fixed interest rate is paid prior to the scheduled payment and/or maturity date(s) set forth above (whether by acceleration, prepayment or otherwise) the undersigned also agrees to pay the Bank, on the date of prepayment (as liquidated damages and not as a penalty), a prepayment charge equal to the sum of the differences between (a) each scheduled interest payment which would have been made on the prepaid amount if such prepayment had not occurred and (b) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Bank shall be deemed to have entered into as of the date of such prepayment (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Bank shall be deemed to have entered into when the prepaid amount was originally funded, with each such difference discounted to a present value as of the date of prepayment using the fixed interest rate of the Replacement Swap as the applicable discount rate. The undersigned acknowledges that the Bank might not fund or hedge its fixed-rate loan portfolio, or any prepayment thereof, on a loan-by-loan basis at all times and agrees that the foregoing is a reasonable

and appropriate method of calculating liquidated damages for any such prepayment irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to this loan. All calculations and determinations by the Bank of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

The undersigned hereby grants to the Bank a lien on, security interest in and right of set-off against all monies, securities and other property of the undersigned and the proceeds thereof now or hereafter delivered to remain with or in transit in any manner to the Bank, its correspondents or its agents from or for the undersigned, whether for safekeeping, custody, pledge, transmission, collection or for any other purpose, or coming into possession, control or custody of the Bank, J.P. Morgan Securities Inc., or any other affiliate of the Bank in any way, and, also, any balance of any deposit account and credits of the undersigned with, and any other claims of the undersigned against, the Bank, J.P. Morgan Securities Inc., or any other affiliate of the Bank at any time existing (all of which are hereinafter collectively called "Collateral"), as collateral security for the payment of this note and all other liabilities and obligations now or hereafter owed by the undersigned to the Bank, contracted with or acquired by the Bank, whether joint, several, direct, indirect, absolute, contingent, secured, unsecured, matured or unmatured (all of which are hereafter collectively called "Liabilities"), hereby authorizing the Bank at any time or times, without notice or demand, to apply any such Collateral or any proceeds thereof to any of such Liabilities in such amounts as it in its sole discretion may select, whether contingent, unmatured or otherwise and whether any other collateral security therefor is deemed adequate or not. The undersigned authorizes the Bank to deliver to others a copy of this note as written notification of the undersigned's transfer of a security interest in the Collateral. The Bank further is authorized at any time or times, without demand or notice to the undersigned, to transfer to or register in the name of its nominee or nominees all or any part of the Collateral and to exercise any and all rights, power and privileges (except that prior to an Event of Default the Bank shall not have the right to vote or to direct the voting of any Collateral). The collateral security and other rights described herein shall be in addition to any other collateral security described in any separate agreement executed by the undersigned.

In the event of: default in the prompt payment of any Liabilities; default in any other indebtedness of the undersigned (which, for the purposes of this sentence, means the undersigned or any guarantor, surety or endorser of, or any person or entity which has pledged any of its property to secure, any Liabilities); complete or partial liquidation or suspension of any business of the undersigned; dissolution, merger, consolidation or reorganization of the undersigned; death of or loss of employment by an individual or any member of any partnership (if the undersigned is an individual or a partnership); failure to furnish any financial information or to permit inspection of any books or records at the Bank's request; a representation, warranty or statement of the undersigned proving false in any material respect when made or furnished; general assignment for the benefit of creditors or insolvency of the undersigned; commencement of any proceeding supplementary to any execution relating to any judgment against the undersigned; attachment; distraint, levy, execution or final judgment against the undersigned or against the property of the undersigned; assignment by the undersigned of any equity in any of the Collateral without the written consent of the Bank; appointment of a receiver, conservator, rehabilitator or similar officer for the undersigned, or for any property of the undersigned; tax assessment by the United States Government or any state or political subdivision thereof against the undersigned; the taking of possession of, or assumption of control over, all or any substantial part of the property of the undersigned by the United States Government, or any state or political subdivision thereof, foreign government (de facto or de jure) or any agency of any thereof; calling of a meeting of creditors, assignment for the benefit of creditors or bulk sale or notice thereof; any mortgage, pledge of or creation of a security interest in any assets without the consent of the holder of this note; filing of a petition in bankruptcy, commencement of any proceeding under any bankruptcy or debtor's law (or similar law analogous in purpose or effect) for the relief, reorganization, composition, extension, arrangement or readjustment of any of the obligations by or against the undersigned; then, and in any of those events (each, an "Event of Default"), all Liabilities, although otherwise unmatured or contingent, shall forthwith become due and payable without notice or demand and notwithstanding anything to the contrary contained herein or in any other instrument. Further, acceptance of any payments shall not waive or affect any prior demand or acceleration of these Liabilities, and each such payment made shall be applied first to the payment of accrued interest, then to the aggregate unpaid principal or otherwise as determined by the Bank in its sole discretion. The undersigned hereby irrevocably consents to the in personam jurisdiction of the federal and/or state courts located within the State of New York over controversies arising from or relating to this note or the Liabilities and irrevocably waives trial by jury and the right to interpose any counterclaim or offset of any nature in any such litigation. The undersigned further irrevocably waives presentment, demand, protest, notice of dishonor and all other notices or demands of any kind in connection with this note or any Liabilities. The undersigned shall be jointly and severally liable hereon.

The Bank may, at its option, at any time when in the judgment of the Bank the Collateral is inadequate or the Bank deems itself insecure, or upon or at any time after the occurrence of an Event of Default, proceed to enforce payment of the same and exercise any of or all the rights and remedies afforded the Bank by the Uniform Commercial Code as in effect from time to time (the "Code") or otherwise possessed by the Bank. Any requirement of the Code for reasonable notice to the undersigned shall be deemed to have been complied with if such notice is mailed, postage prepaid, to the undersigned and such other persons entitled to notice, at the addresses shown on the records of the Bank at least four (4) days prior to the time of sale, disposition or other event requiring notice under the Code.

The undersigned agrees to pay to the Bank, as soon as incurred, all costs and expenses incidental to the care, preservation, processing, sale or collection of or realization upon any of or all the Collateral or incurred in connection with the enforcement or collection of this note, or in any way relating to the rights of the Bank hereunder, including reasonable inside or outside counsel fees and expenses. Each and every right and remedy hereby granted to the Bank or allowed to it by law shall be cumulative and not exclusive and each may be exercised by the Bank from time to time and as often as may be necessary. The undersigned shall have the sole responsibility for notifying the Bank in writing that the undersigned wishes to take advantage of any redemption, conversion or other similar right with respect to any of the Collateral. The Bank may release any party (including any partner of any undersigned) without notice to any of the undersigned, whether as co-makers, endorsers, guarantors, sureties, assigns or otherwise, without affecting the liability of any of the undersigned hereof or any partner of any undersigned hereof.

Upon any transfer of this note, the undersigned hereby waiving notice of any such transfer, the Bank may deliver the Collateral or any part thereof to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to the Bank with respect thereto and the Bank shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but the Bank shall retain all rights hereby given to it with respect to any Liabilities and Collateral not so transferred. No modification or waiver of any of the provisions of this note shall be effective unless in writing, signed by the Bank, and only to the extent therein set forth; nor shall any such waiver be applicable except in the specific instance for which given. This agreement sets forth the entire understanding of the parties, and the undersigned acknowledges that no oral or other agreements, conditions, promises, understandings, representations or warranties exist in regard to the obligations hereunder, except those specifically set forth herein.

If the undersigned is a partnership, the agreement herein contained shall remain in force and applicable, notwithstanding any changes in the individuals composing the partnership or any release of any partner or partners and their partners shall not thereby be released from any liability. If this note is signed by more than one party, the terms "undersigned", as used herein, shall include and mean the "undersigned and each of them" and each undertaking herein contained shall be their joint and several undertaking, provided, however, that in the phrases "of the undersigned", "by the undersigned", "against the undersigned", "for the undersigned", "to the undersigned", and "on the undersigned", the term "undersigned" shall mean the "undersigned or any of them", and the Bank may release or exchange any of the Collateral belonging to any of the parties hereto and it may renew or extend any of the liabilities of any of them and may make additional advances or extensions of credit to any of them or release or fail to set off any deposit account or credit to any of them or grant other indulgences to any of them, all from time to tune, before or after maturity hereof, with or without further notice to or assent from any of the other parties hereto. Each reference herein to the Bank shall be deemed to include its successors, endorsees, and assigns, in whose favor the provisions hereof shall also inure. Each reference herein to the undersigned shall be deemed to include the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned, all of whom shall be bound by the provisions hereof. This note may be pledged or assigned by the Bank to any Federal Reserve Bank.

The provisions of this note shall be construed and interpreted and all rights and obligations hereunder determined in accordance with the laws of the State of New York, and, as to interest rates, applicable Federal Law.

Audiovox Corporation

By: /s/ Charles M. Stoehr

Name & Title: SVP and CFO
- ------------------------------

Address: 180 Marcus Blvd
Hauppauge, NY 11788

JPMorgan Chase Bank

Exhibit 99.3

AUDIOVOX CORPORATION
NOVEMBER 2, 2004

CALL PARTICIPANTS

o Glenn Wiener	Audiovox Corporation Investor Relations
o John Shalam;	Audiovox Corporation Chairman, President and CEO
o Michael Stoehr	Audiovox Corporation SVP, CFO and Director
o Pat Lavelle	Audiovox Corporation President, Audiovox Electronics Corporation
o John Bucher	Harris Nesbitt Analyst
o Riley McCormick	Tracer Capital Analyst
o Matt Reems	BCM Analyst
o Ted Graham	Caron Capital Analyst
o Richard Greenberg	Donald Smith & Company Analyst
o Jim Schwartz	Gilder Analyst

PRESENTATION

Operator: Good day, ladies and gentlemen, and welcome to the quarter three 2004 Audiovox Corporation earnings conference call. At this time, all audio participants are in a listen-only mode. However, at the conclusion of this conference we will be facilitating question and answers via the telephone lines. If at any time during this call you do require assistance, please key star, zero and a coordinator will be happy to assist you. As a reminder, this conference is

being recorded. I would now like to turn this presentation over to your host for today, Mr. Glenn Wiener. Sir, you may proceed.

Glenn Wiener: Good morning, everyone, and thank you for joining us today. The purpose of this call is to discuss Audiovox's fiscal 2004 third quarter nine month financial results and the closing of the sale of the company's wireless assets to UTStarcom. As the operator mentioned, today's call is being Webcast on the company's site, www.audiovox.com, and a replay has been arranged for your convenience and will be available later today, airing for one week.

If you have not received a copy of this morning's announcement - excuse me - if you have not received a copy of the third quarter announcement issued last week, please visit the company's website or you can contact my office directly at 212-786-6011 and a copy will be forwarded to you.

Joining us on today's call will be John Shalam, Chairman and Chief Executive Officer, Michael Stoehr, Senior Vice President and CFO, and Patrick Lavelle, CEO of Audiovox Electronics Corporation. After opening remarks by management, there will a question-and-answer session.

Before getting started, I'd like to briefly read the Safe Harbor language. Except for historical information contained herein, statements made on today's call and on today's webcast that would constitute forward-looking statements may involve certain risks and uncertainties. All forward- looking statements are based on currently available information and the company assumes no responsibility to update any such forward-looking statement.

The following factors, among others, may cause actual results to differ materially from the results suggested in the forward-looking statements. These 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 mobile and consumer electronics 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, the possibility that the review of our prior filings by the SEC may result in changes to our financial statement, and the possibility that stockholders or regulatory authorities may initiate proceedings against Audiovox 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/A for the fiscal year ended November 30, 2003 and Form 10-Q for the fiscal 2004 third quarter ended August 31, 2004. At this time, I'd like to introduce John Shalam, Chairman, President and CEO of Audiovox. John?

John Shalam: Thank you very much, Glenn, and good morning, everyone. I am pleased to report that, as of yesterday, following shareholder approval and closing, the sale of the business of Audiovox Communications Corp., our cellular subsidiary, has been completed. This was the single largest transaction in our company's history and I'd like to spend a few moments to discuss it.

The cellular company has been a major driver in our growth. Over the past 20 years, the expansion into the high-tech telecommunications industry opened the door to our company and gave us the ability to stage a successful IPO in 1987 and a secondary offering in the year 2000. However, over the past few years, the cellular market has become more challenging and competitive. Driven by the overall economic decline, consolidation in the customer base, intensified pricing wars and our inability to successfully partner with a manufacturer, which would have decreased our product acquisition costs and made us more consistently profitable.

That limited control of product development and distribution, coupled with the factors I've previously outlined, caused inconsistency in our cellular results that led to our decision to exit. We believe there is a future in cellular. However, we also believe that remaining a player that could deliver a consistently profitable result will become more and more difficult for us. I was gratified by the overwhelming shareholder support that this transaction generated. In fact, if you eliminate the bulk of non-votes on the transaction as well as my own shares, 99% of the shareholders voted in favor of this deal.

Starcom paid us $165.1 million and when we are done collecting the accounts receivables, the total amount collected will exceed $315 million. Net proceeds from the sale after collecting the receivables and paying all expenses, including taxes, will leave us roughly $162 million in cash, a clean balance sheet with almost no debts, cash flow from operations and access to capital if and when needed to pursue strategic and complementary acquisitions as they arise.

Which brings us to the question on most of your minds and that is what will we do now? There are several answers to that question. Our goal is grow this company and increase its shareholder value. We will continue to invest in our electronic subsidiary where we have had a history of steady growth in both sales and profits. In fact, sales of this group have grown 25% over the last five years. We will look to strategic acquisitions that can be either synergistic with our existing electronics business or in different markets or both. We will invest nonessential cash to produce maximum return. And we will continue to review existing operations for the productivity gains that result in better bottom-line performance.

The next 12 months will be a major transition period for Audiovox as we adjust to life after cellular. And I'm sure we will experience some growing pains in the process. However, our commitment to consistently be profitable will not waiver. And I am certain that we will capitalize on our successful history as we continue to grow this company. And now, I would like to make a few points regarding our electronics subsidiary before Pat brings you up to date on our business model.

Over the past several years, Audiovox Electronics Corporation has dramatically expanded its product offerings and that new mobile and consumer markets has enhanced relationships with many of the leading retailers, mass merchants and OEMs across the nation. In addition, Audiovox Electronics Corporation has also successfully completed two acquisitions - Code- Alarm and Recoton - over the last two years, both of which are beginning to post positive gains for our company.

All of these factors have resulted not only in increased market share for Audiovox Electronics Corporation, but have also led to substantial gain in both revenues and profits. In the electronics marketplace, we are very controlled over product development, distribution and pricing. We have a number of manufacturing partners, which, along with our volume purchases shields us to a degree from competitive pricing and component shortages.

Thanks to the large variety of product lines in different segments of the electronics industry, we have a greater number of potential customers. This opens the door to higher growth areas and allows us to enter new markets and to expand our portfolio of products. We have the flexibility to respond quickly to consumer trends and ride through product maturity with little downside. This has been part of our business model since the expansion of our electronics subsidiary out of car stereo and into the wider world of mobile and consumer electronics, which translate into 12 years of steady growth and consistent profits.

In a few moments, Pat will outline the product roadmap, our customer concentration and trends within the electronics industry, both now and in the foreseeable future. On a top-line basis, it's our goal to further build the Audiovox family of brands, to maintain and increase, our leadership positions in the mobile and consumer electronics product categories, by increasing our expenditures on product development, engineering and marketing. And we'll look for new product areas to develop - to keep price - to keep pace with the ever changing trends in consumer electronics.

In closing, I would like to answer another frequently asked question regarding the new cash rich position. At this moment, we have no plans to offer a dividend or to buyback the company stock. However, these options do remain open. We're reinvesting in our existing operations or look to acquire new ones. Know that we will look for all opportunities that we feel are in the best interest of our shareholders.

One closing comment before I turn the call over to Michael and to Pat. As chairman, president and chief executive officer of Audiovox Corporation, I own nearly 20% of the shares of this company and I am the single largest shareholder. Make no mistake, my interests are very much in line with yours and, as a team, we are working to drive shareholder value. Now, I'll turn the call over to Mike Stoehr, our CFO, who will review the finances. Michael?

Michael Stoehr: Thank you, John. Good morning, everyone. This morning, I will be discussing the financial transaction of the Starcom (inaudible) deal, the company's third quarter performance and some guidance for the fourth quarter and for fiscal 2005. As John mentioned, the after-tax - the gross after-tax - gross proceeds for the Starcom transaction was approximately 317 million. This is 165.1 million for the asset purchase and we anticipate collecting an additional $152 million of accounts receivable.

Our outlays on this transaction was approximately $15 million to Toshiba to repurchase the shares of ACC and to pay down the subordinated debt. The employee packages approximated 26.9 million. We repaid our main bank lines of $79 million. We estimate the professional fees in this transaction to be 4 million and we also estimate the taxes to be approximately $30 million or cash out of about 154.9 million.

This will leave us with available cash of about $162.2 million. We assumed in here that we got back the $8.2 million of the escrow money that was placed up for the transaction. As John mentioned, while we study and review the potential strategies for the use of this cash, these funds will be invested and managed by J. P. Morgan. I'd like to now address the company's financial performance for the third quarter and again provide you with some guidance for the fourth and the next year.

As a result of signing the asset purchase agreement on June 11, the company was required to move to a reporting format that separated earnings into continued and discontinued operations, even though the company still continued to operate its two segments with an administrative company providing certain overhead, until the sale was actually completed by November 1.

As a result of the asset sale, Audiovox Corporation now consists of an operating group that we call Audiovox Electronics Corp. or Electronics, which is a wholly-owned subsidiary and a separate administrative service group. The third quarter results from continuing operations is based on this structure. AEC sales were 132.9 million this year versus 135.2 million third quarter 2003. The reduction in sales can be attributed to lower video sales, primarily in mobile video, specifically video in the bag and DVD products. These decreases were partially offset by increased business from our recent acquisition of the Jensen and other related brands, as well as increased sales in the satellite radio.

For the quarter, the AEC group alone had income - net income of 3.7 million versus 5.1 million. Pat will outline electronics credit line performance in more detail in a few moments. Our Venezuelan operation improved by approximately 323,000 as a result of a better economy and improving political situations. The sales in our Malaysian operations were down, principally due to the company's tightening its credit guidelines in Malaysia.

Electronics also had increment increases in our joint venture, ASA, which experienced sales in the majority of its product lines, especially in its newly acquired Jensen Marine Services. We also experienced increase license income as a result of our Jensen related brands purchase. As a result of higher in asset positions, specific on our inventory, interest expense increased by $500,000 for the quarter.

Gross margins for the company include the 17.4% versus 16.8 in the third quarter versus the third quarter. This is a result of a credit from favorable negotiations on defective repair charges with a certain vendor. Products only gross margins for the quarter were down, were 16.3%, down slightly from the same period last year, due largely to the impact of price competition and video. We look to a slight improvement in margins during the fourth quarter as inventory positions are lowered.

AEC's overhead was 17.6 million versus 14.1, third quarter last year, an increase of 3.5 million. A portion of this increase or approximately 1.2 million was attributable to a full quarter of operations in Europe versus only two months reported during third quarter of 2003.

Other increases in the overhead were an increase in selling expenses of approximately 205,000 related to the recent launches of new Jensen product which is now coming on stream - 105,000 in higher commissions to code systems, which has now begun - which has now experience higher sales in the last year, 312,000 additional advertising and trade show expenses as a result of new product lines, 312,000 increase in professional fees and legal expenses related to patent lines and obtaining new patents, and an increase of 200,000 of bad debt expenses, which is our normal accrual - but versus third quarter last year, we had a credit balance in that account.

The administrative group. The company's administrative group provides IT services, human resources, tax work, public reporting and compliance, treasury functions and 404 compliance. A portion of these expenses are allocated to the operating group based on a variety of methods. For example, for system users for the IT expenses, head count for human resources. The administrative group also charges the operating group interest on funds loaned.

The total administrative expenses, before allocations, were $4.6 million in the third quarter of 2004. Of this, 63% or 2.9 million were non-employee related and covered the following expense categories. Advertising was $1 million, professional fees of 1.3 million, depreciation was 300,000 and the D&O insurance and insurance for the company was $300,000.

These expenses increased - this category of expenses increased 731,000 from third quarter 2003. This - these increases were as follows -- $500,000 in the additional PR and media programs that we have to promote the company's brand and image and a $378,000 increase in professional fees, which is a direct result of expenses related for the compliance testing for Sarbanes-Oxley, which will continue in the fourth quarter.

Expenses related to employees in occupancy course are actually down, third quarter 2004 versus 2003. We are now formulating plans to reduce the administrative expenses to reflect the new structure of our company, which took place on November 1, 2004.

We don't expect these reductions to take - really take effect until 2005. The EPS for the company from continuing operations is breakeven compared to $0.10 last year. This is a result of discussions I've had concerning electronics and also the unadjusted administrative expenses as the discontinued option still part of the company continued to need support during the third quarter.

Just a brief discussion on the company's liquidity. Not looking at the funds that we received from the Starcom transaction, we anticipate, during the fourth quarter, continual cash from operations as our inventory positions begin to move out to a more seasonal level. We also anticipate this turn for the first quarter of 2005.

Exhibit 99.4

For guidance, we anticipate revenue for the fourth quarter to be in the range of between $150-155 million and we look to the EPS from continuing operations before the gain on the sale of transaction and any other adjustments to be in the range of between $0.05 and $0.10 a share versus third quarter of 132 million and breakeven.

For fiscal 2005, we are targeting a top-line growth of between five and 10%. As we get closer to the end of this year, we'll take another look at that target range. We anticipate an increase in our gross margins and we also anticipate a reduction in the consolidated overhead of the company as the restructuring takes place during 2005. Our target for a consolidated operating income level is a 5% and as (inaudible) provide you with further information on this as we have our next call and we discuss our fiscal earnings for 2005.

I'll now turn this call back to John. Thanks.

John Shalam: Michael, thank you very much. Now, I would like to introduce Pat Lavelle, President of Audiovox Electronics Corporation, to give you a report on this outlook.

Pat Lavelle: Thank you, John, and good morning, everyone. As you know, Audiovox Electronics is made up of two primary marketing groups - mobile and consumer electronics. And mobile electronics consists of mobile video, car sound, satellite radio, vehicle security and other mobile accessories, with mobile video being the largest category within this group.

During the past quarter, our video sales have been impacted negatively by a number of trends, some of which may be short-lived and others which will continue. Higher fuel prices have affected SUV sales and the deterioration began in the second quarter and continued through Q3. JD Power reported SUV sales drops of 14% in August alone. Since mobile video is installed primarily on minivans and SUVs, the drop in volume here affects us immediately. This trend could ease if fuel prices stabilize or retrench. However, we do not believe that this will happen in the fourth quarter.

Increased competition has reduced average selling prices by approximately 32% compared with third quarter 2003. We expect this trend to continue, but we do not expect price erosion to be a drastic as we are getting close to component costs on many of these systems. Finally, OEMs have rolled out a number of their own systems, which have eliminated opportunity for sale of after market product. To help counter this, we have stepped up our own OE efforts as well as developed several larger screen sizes and systems not being carried by the '03s. For your information, the third quarter OEM sales of video was 63% ahead of third quarter '03.

In spite of the negatives mentioned, Audiovox remains the number one supplier of after market mobile video. In fact, in a recent survey conducted by NPD Techworld, of the top 10 selling models, Audiovox had seven out of the 10, including the top four units. As we look into the fourth quarter and into 2005, we believe we'll be able to raise average selling prices, due to a shift towards bigger screens and all-in-one headrest systems, which generally run for more money than the current product.

We are also introducing a brand new concept in mobile video at the upcoming senior show. Called the shuttle, the system includes a screen with built-in DVD player and a series of docking stations that allow a consumer to move these newly designed portables from an overhead in the vehicle to a tabletop system or to an under counter kitchen system or to a battery-operated portable. This new product will give Audiovox a value play that no competitor in the industry has at this time.

Initial response to these systems has been very good and we expect good placement during 2005, which is help in reversing some of the negative trends that have permeated the third and fourth quarter.

Additionally, we will introduce a number of custom mirror monitors, which we believe will grow into a new rare observation safety category. Eliminating blind spots in the big SUV is a serious safety issue and speaks to the same buyer as our mobile video products, namely parents. Our system includes a four-inch screen embedded in a rear view mirror that will activate when the car is put into reverse, giving a clear view of whatever is behind the vehicle.

This system will also double as a navigation screen that will automatically turn on when a navigation computer is indicating a turn or maneuver. Our first model-specific unit will be for Toyota and we plan to role out a number of model-specific mirror monitors during 2005.

Our security business continues to expand and we are able to increase sales by 17% quarter over quarter. We have just begun shipments of our Car Link CO100 (ph), which will convert any one of our remote start or security systems into a remote paging system.

Consumers, via a telephone, can unlock doors, remotely start the vehicle, disable the vehicle in case of theft and arm or disarm the security system. This system will offer man of the Onstar-like features without the monthly service fee. For your information, the most common use of Onstar is for remote door unlock. In our system, if you lock you keys in the car or trunk one time, you just paid for the module.

Sound sales grew by 78%, due in part to the new lines launched as part of the acquisition of Jensen, Advent and AR brands, as well as an increase in our satellite radio sales. We expect satellite radio sales to grow as we begin limited distribution this month of our XM plug-and-play unit. XM radio should have greater impact in 2005 as we expand distribution through the rest of our network. With the addition of our XM unit, we expect to be able to double unit sales from 300,000 to approximately 600,000 units next year.

However, I need to point out as serious satellite radio sales will be impacted by a change in their subsidy structure, this change will effectively lower our billing price by as much as 40%, since the subsidy will no longer be coming to Audiovox. We will now be purchasing the product on a net basis, which will eliminate the subsidy. Without the subsidy, our book revenue will drop by approximately 40%.

To recap, we expect mobile video sales to rebound with the introduction of our new versatile video shuttle system, new larger screen sizes, new dual all-in-one headrest systems and rear observation systems.

In addition, we expect sales of satellite radio to be a key driver for the year in security, continued penetration at the OE level by our code security system and increased after-market penetration of the Audiovox lines will drive our 12-volt security business for the year.

In consumer electronics, sales for the group were off approximately 12% for the quarter. We have been negatively impacted by the continued decline of portable DVD selling prices, which dropped an average of 20% over Q3 2003. This margin erosion has caused us to reconsider some third and fourth quarter promotions and we elected not to participate in some of the Black Friday promotions that drove sales of this category last year. And for those of you who are - do not know, Black Friday promotions are the big promotions the major retailers run the day after Thanksgiving to kick off the Christmas season.

Portable DVDs have become a commodity and their sales are no longer a valuated proposition for Audiovox. As a result, we have scaled back our portable DVD business and we'll look to new emerging technologies to help fuel sales in this category.

Besides LCD TVs, products on the horizon include multimedia portables incorporating MPEG4, MP3 and JPEG, which we believe will give Audiovox opportunities to grow sales within the consumer group.

Additionally, we will introduce new wireless home theater systems for 2005 as well as completely new Advent and Acoustic Research speaker lines. These will add to the consumer category growth in 2005. To recap, for 2005, we expect sales of LCD TVs, new multimedia portables, wireless home theater and new speaker lines to be the key drivers for 2005 and to help offset the negative impact of all prices in sales of portable DVDs.

And as discussed in previous calls, we distribute to a wide range of customers - mass merchants, power retailers, independent distributors, expeditors and retailers and original equipment manufacturers. To date, our largest account represents only 11% of our total volume.

We believe our wide distribution network protects us from a downturn in any one segment and gives us opportunities for sustained growth. Our recent Code-Alarm and Recoton acquisitions continue to perform well with code systems posting a 70% increase in sales over Q3 '03. The Recoton acquisition is meeting targets and we expect sales for the year to reach 95 million, which is right in line with our initial forecast.

We expect 2004 to be the biggest sales year for AEC, despite the fact that the fourth quarter will come in below last year's numbers, but in line with our internal projections. Our plans for next year will be consistent with our past strategies, to continue to add new products to our mix, leveraging our brand and distribution network, seeking early entry into new emerging technologies and

and acquiring strategic partners to grow sales, strengthen customer relationships and enhance bottom-line performance.

As John indicated, we have consistently grown our company's top-line revenue and bottom-line performance with this strategy and I anticipate that we will continue to do so. Thank you. John?

John Shalam: Thank you very much for this outstanding report. Ladies and gentlemen, this is the end of our formal presentation. We are now prepared to receive your questions.

QUESTION AND ANSWER SESSION

Operator: Ladies and gentlemen, if you do wish to ask a question at this time, please key star, one on your telephone. If your question has been answered or you do wish to withdraw your question, please key star, two. Questions will be taken in the order they are received. Again, that's star, one for questions at this time. A moment as we compile our initial list of questions. And your first question will come from the line of Mr. John Bucher of Harris, Nesbitt.

John Bucher: Congratulations on closing the transaction and thank you for the financial outlook for the current quarter. Question for you, Michael, just on some housekeeping stuff. With the ACC assets divested, what tax rate should we assume for the November quarter and for 2005 for modeling purposes?

Michael Stoehr: John, for modeling purposes in 2005, we'll be coming back to our regular rate of 35 federal and 6% state. It might be a little sloppy in the fourth quarter as we wind up this transaction, but for modeling purposes, you probably can use the same rate.

John Bucher: OK. And can you give us - what we should expect in the way of the overhead expenses? Any change that we might see, both - I guess, really, for 2005.

Michael Stoehr: Yes. Any of the changes will be in 2005 and Pat and I and John are really going through this right now.

John Bucher: OK.

Michael Stoehr: I tried to indicate that what we're trying to target for the company because this discussion has been asked by several people. Is that we're trying to target an operating income level of 5%, which is aggressive, historically, for the company and that will probably be accomplished in a couple of steps. That - we'll take a look at not only the administrative overhead, but it looks at margins and a few other things.

John Bucher: So, that's - that might not be an average operating margin level for 2005. That might be an operating margin that you reach at some point during 2005?

Michael Stoehr: That's correct. I would latter that, John, assuming the first quarter is the lowest and then move it up as you go second, third and fourth.

John Bucher: OK. Can you say what the headcount is opposed to ACC asset divestiture?

Michael Stoehr: The headcount is - the headcount for the company is about 700 personnel worldwide.

John Shalam: John, this is John Shalam. You know, we just closed the deal yesterday and we've been entirely focused for the last several months, talking with our lawyers and our auditors and everybody else in order to achieve this conclusion, which we did yesterday.

And now that this is behind us, we will start to focus now on our business now with Audiovox Electronics and we will start to focus and to review on all the matters we've discussed - specifically, overhead, margins, product lines. We just haven't really been able to give it as much attention in the last few weeks as we will in the future.

Michael Stoehr: Correct. And as we're reporting in the K, John, the headcount at this point is approximately right on the nose with 763 without ACC.

John Bucher: OK. Thank you very much and with that, I think I'll just ask Pat a question or two and then yield the floor here. And I appreciate very much, Pat, the detailed sub-segment discussion there. I'm wondering in the area of new product opportunities, whether you see digital, high definition radio as - I think we've got a couple thousand broadcasters that have indicated - broadcast stations, I should say, that have indicated their intention to move to the new digital AM and FM. And also GPS, whether you see that as a potential growth driver going forward. Or any other new product categories. Thank you, Pat.

Pat Lavelle: OK. Well, as far as HD radio, we expect to be a big player in HD radio. We don't expect to, for HD radio, to have a big impact in sales in 2005, as it's really just starting to roll out. HD is an emerging category that, although some products have been introduced, some of the broadcasters won't be on until the later part of the year. But we are definitely looking at HD and with our acquisition of Jensen and our audio brands, we feel that we will be a dominant player in the field of HD.

As far as GPS, we are involved in GPS in some of our security systems, some of our tracking systems and some of our navigation systems. But we have no plans at this particular point, reportable GPS. There are players in the business that have secured good market share and it's primarily their business and we don't have any plans reportable GPS at this point. The areas where we look for strong growth is, again, in satellite radio where I think you see a lot of activity. Audiovox remains one of the few companies that has the ability to sell both Sirius and XM. And we plan to continue to support both very, very aggressively. We think that's a good area for growth. LCD TVs certainly can be a very explosive category as more and more consumers shift away from the old CRT and analog sets.

John Bucher: Thank you very much. I'll give somebody else a chance here.

Pat Lavelle: OK.

John Shalam: Thank you, John.

Operator: Your next question will come from the line of Riley McCormick of Tracer Capital.

Riley McCormick: Hey, guys. How are you doing?

John Shalam: OK. Thank you.

Riley McCormick: Two questions. First of all, the - you talked about cash flow for the fourth quarter. You said it was going to be positive because you're drawing down inventory. Is that correct?

Michael Stoehr: That's correct.

Riley McCormick: OK. So any uptick in accounts receivable just due to, you know, T+30 or T+90 is going to be offset by drawing down inventory?

Michael Stoehr: That's correct.

Riley McCormick: OK. The second question, your 5% operating margin target for '05, does that include the Malaysian sub and the, you know, the equity income you get from Malaysian and from ASA or is that ...

Michael Stoehr: No, the operating - Malaysia and Venezuela are consolidated. It includes all our wholly-owned subsidiaries, the majority on subsidiaries. It does not include the joint venture income.

Riley McCormick: OK. So, that 5% is before the million to million-and-a-half of other income you get from these subsidiaries.

Michael Stoehr: That's because licensing (inaudible) and also the ASA joint venture.

Riley McCormick: OK. And should that stay at around 1.5 million a quarter going forward? Any reason for that to change?

Michael Stoehr: I mean, for modeling purposes, you can use that.

Riley McCormick: OK. All right. Thanks a lot, guys.

Operator: Once again, ladies and gentlemen, for any additional questions at this time, please key star, one. For any additional questions, please key star, one. Your next question will come from the line of Matt Reems of BCM(ph)

Matt Reems: Good morning. Could you further explain the significant long-term payouts to the ACC CEO, particularly what the $16 million was related to in tangibles? It seems like a large portion of the payouts, approximately 75%, went to one individual. I just would like additional color into what's behind that.

John Shalam: Matt, this is John Shalam and I will try and give you a satisfactory answer. Philip Christopher has been an executive with Audiovox Corporation pretty much since the inception of the company going back some 30 years. And 20 years ago, we founded the wireless cellular phone division in which Philip had played a very, very active and very major role in building up that company and helping us to achieve not only as a result of the wireless business, but the IPO in 1987, the secondary offering in the year 2000, which generated close to $100 million in capital for this corporation. And this is primarily due to the efforts of Philip Christopher and his team at Audiovox Communications Corporation.

In negotiations with the Stockholm organization, it became very clear that Stockholm in acquiring the assets of ACC was principally buying the team of Philip Christopher and his executives and the sales and relationships that had been established by Philip, whether that is large service providers such as Verizon and Sprint and many other accounts and as well as the strong relationships and with the direct result of Philip's relationship with Toshiba and with (inaudible) and other key suppliers of this organization. And as such, we felt that this payment to Philip is fully justified in terms of what he's achieved and he has allowed us to build a really strong value for ACC and, as a result of that, to obtain, really, a very, very worthwhile advice of UTStarcom. And without Philip's participation and without his having received this payment, this deal would not have happened.

Matt Reems: So, the intangibles are primarily just relationships and, you know, goodwill that he's built up over the past 20 years?

John Shalam: Yes, and it primarily also, you need to keep in mind, besides everything else I've told you, but Philips presence and continuing to run the company was a contract requirement with Stockholm. Without that agreement on Philip's part, this deal would not have happened and the deal is very, very worthwhile for the shareholders and for Audiovox.

As I said before, the total value of the assets sold to Stockholm, including the receivables, is in excess of $317 million. So, we felt that this payment was more than justified. And it's true that we're recognizing Philip's contribution, the relationships that he generated as the major assets that should be accounted for.

Matt Reems: OK. Now that you're sitting on a significant amount of capital, obviously, as you look out into the marketplace, can you just give us an idea of what it looks like? Are there fairly large companies, similar to yourself, that you would look to acquire or distributors or, you know, what's out there that you're contemplating acquiring?

John Shalam: I'll have to be completely honest with you. We've really not done very, very much in the area of acquisitions. We know that, basically and strategically, we would like to deploy some of our new resources to strengthen both the existing Audiovox Electronics groups and, as well, to diversify and to build up the overall sales and revenue of the corporation to the benefit of the shareholders. But we haven't really had a chance to speak to anybody or to really do any kind of serious exploration of the possibilities.

We are looking and we will be looking at some possible acquisitions, but we don't really have a master plan at this time. We know that we wanted to pull out the resources and make more acquisitions, whether it's within the consumer electronics field or outside the consumer electronic fields, I can't tell you at this time. We have a lot of work and research and exploration to do and we will be doing this in the course of the next few months.

But I do want to caution you, as well, that there is - and it's not for me to tell you that. I'm sure you know better than I do that there's an enormous amount of money floating around in the economy, looking for investment and looking for homes.

And a lot of the more attractive or companies that one might want to consider acquiring are way overpriced. You have to pay a very large price to pay for quality. So, we want to be very careful about that and make sure that we are acquiring something that will be worthwhile, that we can handle and digest and operate correctly. But that, basically, is my thinking on the issue. But as things develop and as we run across, situations could be more interesting, we will be discussing these things in our subsequent telephone conversations.

Matt Reems: Do you - are you going to come up with criteria for buying in the sense that it has to be accretive at a certain amount of time? And, you know, given some of the more recent acquisitions you've made, which have been fairly sizable, are those - have they been immediately accretive to what you're doing or to the - do you see that being much more accretive, you know, a year out or so?

John Shalam: Well, I think that our acquisitions of both the Recoton assets and the Code-Alarm assets, that worked out very well. I think, I'm not sure, whether Code was accretive from the very beginning and Mike Stoehr can answer that better than I can. I don't think it was.

Michael Stoehr: It took us - it took us not too long a time to get it - about a year - almost a year- and-a-half, two years. But that was a different situation. The Jensen acquisition was good right from the - right from the start for us.

John Shalam: I think the Jensen acquisition worked out very well for us. Looking back at what we paid for those assets and for the operation in Germany as well, turns out to be an excellent acquisition on our part and is working out quite well.

Michael Stoehr: The answer to that being accretive. Yes, that's one of the things that we do look at. It has to be.

Matt Reems: But then - what? From the beginning or within a set period of time?

Michael Stoehr: ... not to tie ourselves down to day one - within a year.

Matt Reems: OK. Well, I think you've always been very innovative in coming up with new products and things like that. This will obviously give you a lot more firepower to ramp that up. In addition to that, are there certain product areas that you don't think you're particularly - have any expertise in developing to be able to innovate where it might make more sense to buy? And what might that - what might those type of products be?

Pat Lavelle: There are a number of - this is Pat Lavelle. There are a number of new technologies that are out there that a number of suppliers that we do business with have done a tremendous amount of R&D and we don't have to develop that technology. And one of the strengths that we have within our group is the broad breadth of manufacturers that we do business with. I can pretty much tell you, from a consumer electronics side, every one of our manufacturers - or when I put all of our manufacturers together, they are quite active in every one of the new technologies and some of the emerging technologies, whether it be, again, LCD, multimedia, continued development of mobile video. We have a very, very deep pool that we can draw from..

John Shalam: And I would just like to add a comment that the consumer electronic industry continues to develop really exciting new products on a continual basis that stimulates, purchases at retail, the products like the iPods, products like the plasma TVs and another major area - satellite radio and HD radio - are all major stimulants to the entire industry. And I think the outlook for the consumer electronics industry continues to be quite positive for the next few years.

Matt Reems: OK. Well, thanks. I appreciate your time and I look forward to speaking with you later.

John Shalam: Thank you very much, Matt.

Operator: Your next question will come from the line of Ted Graham (ph) of Caron (ph) Capital.

Ted Graham: Hi. Two questions. Could you give some more color on the - you mentioned Toyota, using - getting involved with the rearview mirror product. And also, how much flexibility do you have to sort of move away from commodity product lines and shift focus towards some of these new and - it looks like a very exciting product line - ahead. So, just more color on both of those.

Pat Lavelle: As far as the Toyota program that we have for the mirror monitor, that is not a program that we are running with Toyota. That is - that is just the first model specific mirror monitor that we're doing. OK? And we will be developing a number of custom mirror monitors that would replace the existing mirror in the car. And that's the reason why they're custom. That is a, again, that is strength, a core competency that Audiovox Electronics has that will definitely take us out of the commodity type of product where we will develop custom kits for different vehicles. We've done that successfully over our history in car audio, certainly in mobile video and there are opportunities for us to continue to develop products along those lines.

When we look at the mix of our business, we look at what we consider some niche business that will take us out of the core, like under counter kitchen TVs, some of the satellite radio business that we're doing and again, some of the different mobile video-type products like our shuttle system will take us out of the commodity-type product. But we look for a balance. We look for some explosive growth and, in some cases, the explosive growth will come from a commodity- type item.

So, we're looking for a balance within our book of business that will allows us to generate good margin on some niche product, but also generate some substantial sales on the more commodity- type items.

Ted Graham: Has the - I guess, on the radio side, there's some talk in the after market that the newer lines are getting more and more complicated to install different devices. Do you see that as an advantage or a disadvantage or is it really a problem that's out there?

Pat Lavelle: Well, you know, as far as the inability to get on the dashboard on some of the new cars, that's a disadvantage, obviously, to the after market. But as you develop product that works in conjunction with the car manufacturers product, again, this will take it out of the commodity range because you have to have the engineering to develop or reverse engineers some of the protocol that are out there. We'll work on some of the protocols that are being established, like most, is a protocol that the Consumer Electronics Association has supported as an industry standard for interface with a number of different car manufacturers.

So, yes, it can be a deterrent, but if you're in a position like Audiovox where we do work closely with a number of different manufacturers, a number of different importers, it can take your product out of that commodity price range because you would be working on protocols that is not available to everyone.

Ted Graham: OK. And then, a time line for new products, let's say the new, you know, the stuff you announced today. When should we expect to ...

Pat Lavelle: The shuttle system will be - will be delivering in January, will be showing at this week's senior show and we will - we will be delivering in January. The wireless home theater systems will be ready in the January time frame. I would pretty much say everything that I talked about today would be ready in the first quarter of '05.

Exhibit 99.4

Ted Graham: OK. Great. Thanks a lot.

Operator: Your next question will come from the line of Richard Greenberg of Donald Smith & Company (ph).

Richard Greenberg: Mike, just two quick housekeeping items. Assumption of fully-diluted shares for next year. And then, just tell me what your debt outstanding is. You have a 162 million of cash. What is the total debt right now?

Michael Stoehr: OK. The shares outstanding would be 22.1 million.

Richard Greenberg: OK.

Michael Stoehr: And as for the debt, right now we have approximately - we have 2.5 million in Malaysia and we have $12 million in Germany.

Richard Greenberg: OK. The second topic is this issue of operating margin, you know, in setting a 5% goal without really yet totally scrubbing the expense base, my concern is that, you know, and that's a, you know, a reasonable goal. It's kind of what a company like this should be - should be earning, but what are the chances that you guys, once you kind of go through the expense base, say, oh, my god, you know, we really can't cut expenses enough to achieve that goal. We needed that larger sales base to support it and we really are going to need acquisitions to advertise that fixed cost expense base in order for us to get to the 5%. Or can you really see the 5%, you know, from a high level now?

Michael Stoehr: I think, I think, Richard, the answer to that question is a little bit of both. We're going into the expenses to bring it down to reflecting where the expense level should be. There's going to be some improvement in operating because the margins will move up a little bit and, as John just outlined for us, there may be some acquisitions in there.

Richard Greenberg: OK. So, it's going to be - it's not just one home run. It's going to be a lot of - a lot of work and a lot of, as you know how we operate. We go in and we just chop away at it and also plain going forward.

John Shalam: Richard, you know, all these things take time. So, you know, right now we're just stepping down and beginning to start walking around in the next few weeks. And we will take a lot of steps in all the directions you outlined. But you really shouldn't expect too many results for at least a few months.

Richard Greenberg: Yes. OK. I would just love to hear you be able to say you're pretty confident. Even if we do no acquisitions and, you know, pay out a, whatever, $6 special dividend, which I know is not your intention, you know, we think that this business can, you know, we can get our expenses down so that we could generate a 5% operating margin. But you're really not ready to say that, right?

Michael Stoehr: No, I - as I - Richard, as you know, again, as we - John mentioned - as we get into the earnings release for 2004, we'll have - it'll be - - the picture for both Pat, John and myself will be much clearer at that time, as we're coming through, both on the product end, on the overhead end and we'll have a much better view. At this point, right now, as John mentioned, we're still unwinding wireless from the operations of Audiovox. We're in the process of doing three audits - an audit of ACC, which is part of the deal, our regular audit and we've got the compliance audit with Sarbanes. So, we've got a lot on our place right now.

Richard Greenberg: OK. Just finally, on this whole acquisition strategy, you know, your previous acquisitions took on a little bit of goodwill, but it wasn't tremendous. And I think, Mike, you would argue that it certainly was worth it. I mean, as you go through this process, can you give us some assurance that, hey, we're not going to be loading up the balance sheet with goodwill, you know, and destroying tangible book value. I mean, is that one of the criteria that you do look at or are you really focused on, well, we don't really care about intangibles and, you know, we're just going to look at what it adds to our earnings?

Michael Stoehr: I think Mr. Shalam prefaced that conversation with a statement where he stated that, at this point, there's so much money out there, there's a lot of overvalued companies and we're not in the process of doing an acquisition, just as you said, to build up a lot of goodwill on the balance sheet. There has to be - and I think I mentioned of a previous discussion, it has to be - it has to be accretive to the company. It has to make sense and it has to - you know, we have stand the test of time with goodwill, too, now.

John Shalam: And Richard, I believe in an earlier conversation, telephone conference, I think that you had pointed out to us that the track record of most companies that make acquisitions has not been very successful. And you urged us to proceed very cautiously. Was that correct?

Richard Greenberg: Yes. That is correct. I mean, John, I would - I would have no problem if you would allocate some of that money to a buyback. I know that's not where you're headed at, but with a roughly $17 book, $14 stock price ...

John Shalam: Yes.

Richard Greenberg: It would seem to me to make a lot sense. It's a lot less risky than making acquisitions. At least get it going. You know, and then if your stock moves up, then you can shift to acquisitions. But to say, hey, yes, maybe it makes sense to buy, you know, a couple million shares with our stock at this kind of value, I don't see what the harm in doing that is.

John Shalam: Well, I assure you, Richard, we will consider all these options.

Richard Greenberg: OK. OK, guys. Thanks a lot. Good luck.

Pat Lavelle: Richard, let me just make one comment as far as what we're looking at from AEC as part of an acquisition. The main driver for us, as part of an acquisition, within the AEC group, is going to be something that's synergistic with what we do. Where we can take down overhead in the acquiring company and enhance profitability, from a financial side.

From a marketing side, we want to be able, with any acquisition, to enhance our customer relationships. And those are going to be the two drivers. More so, than price, OK, that we would look at in an acquisition.

Obviously, we're not going to overpay, but the - those are the two areas. One, where it can be accretive. It's synergistic, so we can take down overhead. And the other is to enhance sales and customer relationships.

Richard Greenberg: You know what? You know, that's reasonable, Pat. It's just fine. And you guys certainly have experiences - experience with joint ventures that - a lot of what managements think is synergistic could really, you know, they're paying a premium in price for that and some of those could - same synergies could be achieved just through a joint venture. Maybe not so much on the overhead, but everything could be.

So, to just pay a big premium to get it under your control sometimes, that's where companies tend to overpay.

Pat Lavelle: Understood. OK. Good day, Richard.

Richard Greenberg: OK. Thanks.

John Shalam: Thanks, Richard.

Operator: Your next question will come from the line of Jim Schwartz (ph) of Gilder (ph).

Jim Schwartz: Hey, guys. Pat, a question for you. In terms of proprietary development, I mean, what are you guys looking forward to, you know, maybe in '05 and '06 in terms of proprietary designs versus, you know, the more commodity products and maybe a margin differential between the proprietary designs versus, you know, the regular commodity product?

Pat Lavelle: Well, a number of - a number of our after market product - our 12-O (ph) product, our Audiovox proprietary designs. So that's something that we do on a regular basis, whether it be our security systems, our mobile video system, even some of our head units are all Audiovox proprietary design that we believe we will be able to generate a better margin than a commodity- type project. Then we also have the OEM business and our business with Sirius, where - Sirius and XM where there aren't that many players in those categories selling product, which gives us an opportunity to make margin. So, pretty much within every one of our product groups, we have our own design development that we believe will be able to give us better margin than some of the commodity products.

Jim Schwartz: OK. And that should increase going forward. Is that one of the criteria? When you're looking for an acquisition, something that can add to your proprietary mix or is it proprietary immediately?

Pat Lavelle: We tend to look for, you know, that advantages that we can gain from the company. Certainly, if they have proprietary products that can give better margins, that's certainly going to be very positive.

Jim Schwartz: OK. But that - I mean, what - so what type of - what's the gross - is the gross margin 16%, roughly, for a proprietary ...

Pat Lavelle: For proprietary, it's going to be a little bit higher than that and that's where we end up getting out blend is when you're dealing with the commodity products, is, you know, the margins are lower and when you're dealing with your own proprietary or OEM type products, the margins are higher.

Jim Schwartz: OK. So then, I mean, '06 versus '05, I mean, looking forward, what percent mix shift will we see towards proprietary, do you think? Or, you know, '05 versus '04.

Pat Lavelle: I think - I don't think you're going to see a big shift in, you know, in what we've done historically. We do believe we're going to see an increase in the margins as we restore and develop new products, get to new price points that help restore our normal margins. When you get into the price erosion that you see, related to any DVD product, we expect to see a smaller problem with price erosion, as we get closer and closer to actual component costs.

Jim Schwartz: OK. Thanks.

Pat Lavelle: You're welcome.

Operator: Your final question will be a follow-up from the line of John Bucher of Harris Nesbitt.

John Bucher: Thank you very much. Michael, could you say what your peak borrowing requirements are anticipated to be over the course of the next 12 months?

Michael Stoehr: John, at this point, that's not going to change from the numbers that I just outlined in what was left outstanding on the balance sheet.

John Bucher: OK. Great.

Michael Stoehr: We have - we have put in place for the company small bridge loans, about 25 million for letters of credit and stuff, but we don't anticipate any volumes at this time, unless we deploy the proceeds. But at this point, we don't see it.

John Bucher: Fantastic. And then, last for Patrick. Do you disclose or can you say what the percentage of sales were from products that were introduced in the last 12 months for the quarter that you all reported a couple weeks ago?

Pat Lavelle: No, I wouldn't at this point. I'd have to look at that.

John Bucher: Just wondering, could you - any sort of seat-of-the-pants feel for what that ratio might have been?

Pat Lavelle: John, I wouldn't want to take a guess at it at this point.

John Bucher: OK. OK. Thank you very much.

John Shalam: John, it's not a clear situation because you have different types of so-called new product introductions. Some of them are new categories of products also. Some of them are products that have had many changes or where we've added a piece or two, but it's really a continuation of an existing model that's been alive for some time. So, you can't really get that big of a picture. But we'll attempt to get that information for you.

John Bucher: Thank you, sir.

John Shalam: OK.

Operator: We thank you for your questions, ladies and gentlemen. I would now like to turn it back to the senior management of Audiovox for closing remarks.

John Shalam: Well, thank you very much for participating on the call with us today. We appreciate your continued support of Audiovox. There's been some tremendous changes, obviously, taking place here. We're facing, I think, a positive future. We'll have many new opportunities now. We have a super strong balance sheet, cash on hand, availabilities, many options to proceed further. And I think we'll be in a very good position to continue growing the company and to create additional shareholder value. Again, thank you very much for joining us today. And look forward to speaking with all of you again in the very near future. Thank you.

Operator: Ladies and gentlemen, we thank you for joining the Audiovox 2004 earnings release. This call is concluded and you may disconnect now. Good day.