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

FORM 10-Q/A

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

For Quarter Ended August 31, 2001

Commission file number 0-28839

AUDIOVOX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-1964841
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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

Class	Outstanding at October 8, 2001
Class A Common Stock	20,621,338 Shares
Class B Common Stock	2,260,954 Shares

AUDIOVOX CORPORATION

I N D E X

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(In thousands, except share data)

	November 30, 2000	August 31, 2001
		(unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 6,431	$ 3,824
Accounts receivable, net	279,402	187,114
Inventory, net	140,065	228,357
Receivable from vendor	5,566	2,935
Prepaid expenses and other current assets	6,830	7,666
Deferred income taxes, net	12,244	12,774
Total current assets	450,538	442,670
Investment securities	5,484	7,132
Equity investments	11,418	13,253
Property, plant and equipment, net	27,996	26,444
Excess cost over fair value of assets acquired and other intangible assets, net	5,098	4,831
Other assets	2,325	1,438
	$ 502,859	$ 495,768
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 61,060	$ 23,094
Accrued expenses and other current liabilities	62,569	46,394
Income taxes payable	6,274	917
Bank obligations	8,104	5,973
Notes payable	5,868	5,395
Current installment of long-term debt	486	--
Total current liabilities	144,361	81,773
Bank obligations	15,000	73,275
Deferred income taxes, net	972	1,873
Capital lease obligation	6,260	6,239
Deferred compensation	2,208	3,922
Total liabilities	168,801	167,082
Minority interest	3,555	2,028
Stockholders' equity:		
Preferred stock, liquidation preference of $2,500	2,500	2,500
Common stock:		
Class A; 60,000,000 authorized; 20,291,046 and 20,615,894 issued at November 30, 2000 and August 31, 2001, respectively, 19,528,554 and 19,705,507 outstanding at November 30, 2000 and August 31, 2001, respectively	204	207
Class B convertible; 10,000,000 authorized; 2,260,954 issued and outstanding	22	22
Paid-in capital	248,468	250,784
Retained earnings	90,371	85,677
Accumulated other comprehensive loss	(5,058)	(5,145)
Treasury stock, at cost, 762,492 and 910,387 Class A common stock at November 30, 2000 and August 31, 2001, respectively	(6,004)	(7,387)
Total stockholders' equity	330,503	326,658
Commitments and contingencies		
Total liabilities and stockholders' equity	$ 502,859	$ 495,768

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
For the Three and Nine Months Ended August 31, 2000 and August 31, 2001
(In thousands, except share and per share data)
(unaudited)

	Three Months Ended August 31, 2000	Three Months Ended August 31, 2001	Nine Months Ended August 31, 2000	Nine Months Ended August 31, 2001
Net sales	$ 470,334	$ 313,897	$ 1,192,124	$ 920,776
Cost of sales	427,587	282,384	1,077,377	848,880
Gross profit	42,747	31,513	114,747	71,896
Operating expenses:				
Selling	10,363	10,561	31,673	27,525
General and administrative	11,806	12,261	34,350	33,971
Warehousing and assembly	5,520	5,895	15,574	17,197
Total operating expenses	27,689	28,717	81,597	78,693
Operating income (loss)	15,058	2,796	33,150	(6,797)
Other income (expense):				
Interest and bank charges	(1,060)	(1,813)	(5,366)	(4,273)
Equity in income of equity investments	474	601	2,253	3,162
Gain on sale of investments	541	--	2,814	--
Gain on hedge of available-for-sale securities	749	--	1,499	--
Other, net	(335)	40	920	643
Total other income (expense), net	369	(1,172)	2,120	(468)
Income (loss) before provision for (recovery of) income taxes	15,427	1,624	35,270	(7,265)
Provision for (recovery of) income taxes	5,471	618	13,103	(2,573)
Net income (loss)	$ 9,956	$ 1,006	$ 22,167	$ (4,692)
Net income (loss) per common share (basic)	$ 0.45	$ 0.05	$ 1.04	$ (0.21)
Net income (loss) per common share (diluted)	$ 0.44	$ 0.05	$ 0.98	$ (0.21)
Weighted average number of common shares outstanding (basic)	21,885,232	21,966,461	21,224,604	21,847,312
Weighted average number of common shares outstanding (diluted)	22,883,444	22,170,039	22,614,472	21,847,312

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Nine Months Ended August 31, 2000 and August 31, 2001
(In thousands)
(unaudited)

	August 31, 2000	August 31, 2001
Cash flows from operating activities:		
Net income (loss)	$ 22,167	$ (4,692)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Gain on hedge of available-for-sale securities	(1,499)	--
Depreciation and amortization	2,860	3,229
Provision for bad debt expense	1,443	1,115
Equity in income of equity investments	(2,252)	(3,162)
Minority interest	809	(493)
Gain on sale of investments	(2,387)	--
Gain from the sale of shares of equity investment	(427)	--
Deferred income tax (expense) benefit	(2,106)	349
Gain on disposal of property, plant and equipment, net	(6)	(1)
Income tax benefits on exercise of stock options	(1,251)	--
Changes in:		
Accounts receivable	24,217	90,990
Receivable from vendor	1,833	2,631
Inventory	(13,626)	(88,568)
Accounts payable, accrued expenses and other current liabilities	31,425	(53,601)
Income taxes payable	(721)	(5,360)
Deferred compensation	--	1,713
Investment securities - trading	(2,373)	(1,713)
Prepaid expenses and other, net	2,524	(65)
Net cash provided by (used in) operating activities	60,630	(57,628)
Cash flows from investing activities:		
Purchases of property, plant and equipment, net	(10,128)	(1,945)
Net proceeds from sale of investment securities	13,227	--
Proceeds from distribution from equity investment	1,139	1,289
Proceeds from transfer of shares from equity investment	922	--
Net cash provided by (used in) investing activities	5,160	(656)
Cash flows from financing activities:		
Net (repayments) borrowings of bank obligations	(111,223)	56,295
Payment of dividend to minority shareholder of subsidiary	(859)	(1,034)
Net repayments under documentary acceptances	(1,994)	--
Principal payments on capital lease obligation	(14)	(21)
Proceeds from exercise of stock options and warrants	734	2,320
Repurchase of Class A common stock	--	(1,382)
Net proceeds from sale of common stock	96,573	--
Issuance of notes payable	6,068	--
Principal payments on subordinated debentures	--	(486)
Net cash (used in) provided by financing activities	(10,715)	55,692
Effect of exchange rate changes on cash	(16)	(15)
Net increase (decrease) in cash	55,059	(2,607)
Cash at beginning of period	5,527	6,431
Cash and cash equivalents at end of period	$ 60,586	$ 3,824

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements
Three and Nine Months Ended August 31, 2000 and August 31, 2001
(Dollars in thousands, except share and per share data)

(1) Basis of Presentation

The accompanying consolidated financial statements were prepared in accordance with generally accepted accounting principles and include all adjustments, which include only normal recurring adjustments, which, in the opinion of management, are necessary to present fairly the consolidated financial position of Audiovox Corporation and subsidiaries (the Company) as of November 30, 2000 and August 31, 2001, the consolidated statements of operations for the three and nine month periods ended August 31, 2000 and August 31, 2001, and the consolidated statements of cash flows for the nine month periods ended August 31, 2000 and August 31, 2001. The interim figures are not necessarily indicative of the results for the year.

Accounting policies adopted by the Company are identified in Note 1 of the Notes to Consolidated Financial Statements included in the Company's 2000 Annual Report filed on Form 10-K. Certain reclassifications have been made to the 2000 consolidated financial statements in order to conform to the 2001 presentation.

(2) Supplemental Cash Flow Information

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

	Nine Months Ended August 31, 2000	Nine Months Ended August 31, 2001
Cash paid during the period:		
Interest (excluding bank charges)	$ 4,417	$ 3,054
Income taxes (net of refunds)	$15,380	$ 2,436

During the nine months ended August 31, 2000 and August 31, 2001, the Company recorded a net unrealized holding (loss) gain relating to available-for-sale marketable securities, net of deferred taxes, of $(7,533) and $(30), respectively, as a component of accumulated other comprehensive loss.

During the quarter ended May 31, 2001, 314,800 warrants were exercised and converted into 314,800 shares of common stock.

During 1997, the Company's Board of Directors approved the repurchase of up to 1,000,000 shares of the Company's Class A Common Stock. In 1999, the Company's Board of Directors approved an increase to the repurchase program to 1,563,000 shares of the Company's Class A common stock. During the nine months ended August 31, 2001, 147,895 shares were repurchased for an aggregate amount of $1,382.

(3) Net Income (Loss) Per Common Share

A reconciliation between the numerators and denominators of the basic and diluted income (loss) per common share is as follows:

	Three Months Ended		Nine Months Ended	
	August 31, 2000	August 31, 2001	August 31, 2000	August 31, 2001
Net income (loss) (numerator for basic income per share)	$ 9,956	$ 1,006	$ 22,167	$ (4,692)
Interest on 6 1/4% convertible subordinated debentures, net of tax	7	--	24	5
Adjusted net income (loss) (numerator for diluted income per share)	$ 9,963	$ 1,006	$ 22,191	$ (4,687)
Weighted average common shares (denominator for basic income per share)	21,885,232	21,966,461	21,224,604	21,847,312
Effect of dilutive securities:				
6 1/4% convertible subordinated debentures	42,147	--	47,307	--
Employee stock options and stock warrants	953,075	203,578	1,335,695	--
Employee stock grants	2,990	--	6,866	--
Weighted average common and potential common shares outstanding (denominator for diluted income per share)	22,883,444	22,170,039	22,614,472	21,847,312
Basic income (loss) per share	$ 0.45	$ 0.05	$ 1.04	$ (0.21)
Diluted income (loss) per share	$ 0.44	$ 0.05	$ 0.98	$ (0.21)

There were no anti-dilutive stock options or stock warrants for the three and nine months ended August 31, 2000. Stock options and warrants totaling 1,599,200 and 1,984,568 for the three and nine months ended August 31, 2001, respectively, were not included in the net loss per common share calculation because their effect would have been anti-dilutive.

(4) Comprehensive Income (Loss)

The accumulated other comprehensive loss of $5,058 and $5,145 at November 30, 2000 and August 31, 2001, respectively, on the accompanying consolidated balance sheets is the net accumulated unrealized loss on the Company's available-for-sale investment securities of $190 and $220 at November 30, 2000 and August 31, 2001, respectively, and the accumulated foreign currency translation adjustment of $(4,868) and $(4,925) at November 30, 2000 and August 31, 2001, respectively.

The Company's total comprehensive income (loss) was as follows:

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2000	2001	2000	2001
Net income (loss)	$ 9,956	$ 1,006	$ 22,167	$ (4,692)
Other comprehensive income (loss):				
Foreign currency translation adjustments	3	(108)	460	(57)
Unrealized gain (loss) on securities:				
Unrealized holding gain (loss) arising during period, net of tax	1,314	(450)	(5,788)	(30)
Less: reclassification adjustment for gains realized in net income, net of tax	(335)	--	(1,745)	--
Net unrealized gain (loss)	979	(450)	(7,533)	(30)
Other comprehensive gain (loss), net of tax	982	(558)	(7,073)	(87)
Total comprehensive income (loss)	$ 10,938	$ 448	$ 15,094	$ (4,779)

The change in the net unrealized gain (loss) arising during the periods presented above are net of tax (expense) benefit of $600 and $(276) for the three months ended August 31, 2000 and August 31, 2001, respectively, and $(745) and $(18) for the nine months ended August 31, 2000 and August 31, 2001, respectively. The reclassification adjustment presented above is net of tax expense of $206 for the three months ended August 31, 2000 and $1,069 for the nine months ended August 31, 2000. There was no reclassification adjustment for the three and nine months ended August 31, 2001.

(5) Segment Information

The Company has two reportable segments which are organized by products: Wireless and Electronics. The Wireless segment markets wireless handsets and accessories through domestic and international wireless carriers and their agents, independent distributors and retailers. The Electronics segment sells autosound, mobile electronics and consumer electronics, primarily to mass merchants, power retailers, specialty retailers, new car dealers, original equipment manufacturers (OEM), independent installers of automotive accessories and the U.S. military.

The Company evaluates performance of the segments based upon income before provision for income taxes. The accounting policies of the segments are the same as those for the Company as a whole. The Company allocates interest and certain shared expenses, including treasury, legal and human resources, to the segments based upon estimated usage. Intersegment sales are reflected at cost and have been eliminated in consolidation. A royalty fee on the intersegment sales, which is eliminated in consolidation, is recorded by the segments and included in other income (expense). Certain items are maintained at the Company's corporate headquarters (Corporate) and are not allocated to the segments. 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 the Company's management information systems, which are used by the Wireless and Electronics segments 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. During the nine months ended August 31, 2000 and August 31, 2001, certain advertising costs were not allocated to the segments. These costs pertained to an advertising campaign that was intended to promote overall Company awareness, rather than individual segment products.

Segment identifiable assets are those which are directly used in or identified to segment operations.

	Wireless	Electronics	Corporate	Eliminations	Consolidated Totals
Three Months Ended August 31, 2000					
Net sales	$ 403,723	$ 66,611	--	--	$ 470,334
Intersegment sales (purchases)	20	(20)	--	--	--
Pre-tax income (loss)	14,077	3,527	$ (2,177)	--	15,427
Three Months Ended August 31, 2001					
Net sales	$ 241,945	$ 71,952	--	--	$ 313,897
Intersegment sales (purchases)	(141)	141	--	--	--
Pre-tax income (loss)	1,032	3,393	$ (2,801)	--	1,624
Nine Months Ended August 31, 2000					
Net sales	$ 992,410	$ 199,714	--	--	$ 1,192,124
Intersegment sales (purchases)	(2,085)	2,085	--	--	--
Pre-tax income (loss)	26,886	10,559	$ (2,175)	--	35,270
Total assets	276,316	104,890	284,156	$ (160,080)	505,282
Nine Months Ended August 31, 2001					
Net sales	$ 707,744	$ 213,032	--	--	$ 920,776
Intersegment sales (purchases)	(354)	354	--	--	--
Pre-tax income (loss)	(11,413)	8,900	$ (4,752)	--	(7,265)
Total assets	315,607	118,738	285,365	$ (223,942)	495,768

(6) Audiovox Communications Corp. Dividend

In February 2000 and 2001, the Board of Directors of Audiovox Communications Corp. (ACC), declared a dividend payable to its shareholders, Audiovox Corporation, a 95% shareholder, and Toshiba Corporation (Toshiba), a 5% shareholder for their respective share of net income for the previous fiscal years. ACC paid Toshiba its share of the dividend, which approximated $859 and $1,034 in the second quarter of 2000 and the first quarter of 2001, respectively.

(7) Accounting for Derivative Instruments and Hedging Activities

On December 1, 2000, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which, as amended, is effective for fiscal years beginning after June 15, 2000.

The Company uses derivative instruments primarily to manage exposures related to foreign currency denominated receivables and payables. To accomplish this, the Company uses certain contracts, primarily foreign currency forward contracts, which minimize cash flow risks from changes in foreign currency exchange rates. Implementation of SFAS No. 133 did not have an impact on the Company's financial positions, results of operations or liquidity. As of August 31, 2001, the Company did not have any derivative instruments.

(8) Product Return

During the quarter ended February 28, 2001, Wireless refunded approximately $21,000 to a customer, who is a wireless carrier, for the return of approximately 97,000 tri-mode phones. During January 2001, Wireless also purchased 93,600 of the same model of tri-mode phone for a cost of $12.4 million. As a result of changes in the marketplace for wireless products, the selling price of the phones has been reduced below the original cost. The Company did not record a write-down on these phones as they expected to receive a full refund or partial credit from the manufacturer of the phones during the second quarter. In April 2001, the Company received a credit from the manufacturer of $12.4 million. The credit was applied against the carrying value of the phones on hand which approximated 190,600 phones, which are appropriately recorded at the lower of cost or market.

(9) Inventory Write-Down

. During the quarter ended May 31, 2001, the Company recorded a charge of $13.5 million to write-down its remaining inventory of analog mobile telephones which approximated 300,000 units. The write-down was recorded in response to market conditions at the time and a surplus of supply that other manufacturers were trying to reduce through decreased prices. During the third quarter of 2001, the Company was able to recover higher than anticipated values on our previously written-down analog inventory.

(10) Stock Warrants

During the quarter ended May 31, 2001, 314,800 of the Company's remaining 344,800 stock warrants were exercised and converted into 314,800 shares of common stock. The remaining 30,000 warrants expired during the quarter.

(11) Bond Repayment

During the quarter ended May 31, 2001, the Company paid $486 to the remaining holders of the Company's subordinated convertible debentures. There are no remaining debentures as of August 31, 2001.

(12) Sales/Leaseback Transaction

During the quarter ended May 31, 2000, the Company incorporated AX Japan, Inc. (AX Japan), a wholly-owned subsidiary, with 60,000,000 Yen (approximately $564). In April 2000, AX Japan purchased land and a building (herein referred to as the Property) from Shintom Co., Ltd. (Shintom) for 770,000,000 Yen (approximately $7,300) and entered into a leaseback agreement whereby Shintom has leased the Property from AX Japan for a one- year period. This lease is being accounted for as an operating lease by AX Japan. Shintom is a stockholder who owns all of the outstanding preferred stock of the Company and is a manufacturer of products purchased by the Company through its former equity investment, TALK Corporation. The Company currently holds stock in Shintom and has previously invested in Shintom convertible debentures.

Upon the expiration of six months after the transfer of the title to the Property to AX Japan, Shintom had the option to repurchase the Property or purchase all of the shares of stock of AX Japan. These options could be extended for one additional six-month period.

In May, 2001, upon the expiration of the additional six-month period, the Company and Shintom agreed to extend the lease for an additional one-year period. In addition, Shintom was again given the option to purchase the Property or shares of stock of AX Japan after the expiration of a six-month period or extend the option for one additional six-month period. AX Japan was also given the option to delay the repayment of the loans for an additional six months if Shintom extended its option for an additional six months.

(13) Debt Convenants

The Company maintains a revolving credit agreement with various financial institutions. The credit agreement contains several convenants requiring, among other things, minimum levels of pre-tax income and minimum levels of net worth and working capital. Additionally, the agreement includes restrictions and limitations on payments of dividends, stock repurchases and capital expenditures. During the quarter ended May 31, 2001, the Company was not in compliance with its pre-tax income covenant as a result of the analog inventory write-down and obtained a waiver for the quarter ended May 31, 2001.

(14) Market Development Program

In connection with the decline in the analog market, a market development program was terminated which resulted in a reversal of approximately $3.0 million of accrued market development funds for the nine months ended August 31, 2001.

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

The Company markets its products under the Audiovox brand as well as private labels through a large and diverse distribution network both domestically and internationally. The Company operates through two marketing groups: Wireless and Electronics. Wireless consists of Audiovox Communications Corp. (ACC), a 95%-owned subsidiary of Audiovox, and 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 to carriers overseas. Quintex is a small operation for the direct sale of handsets, accessories and wireless telephone service.

The Electronics Group consists of two wholly-owned subsidiaries, Audiovox Electronics Corp. (AEC) and American Radio Corp., and three majority-owned subsidiaries, Audiovox Communications (Malaysia) Sdn. Bhd., Audiovox Holdings (M) Sdn. Bhd. and Audiovox Venezuela, C.A. The Electronics Group markets automotive sound and security systems, electronic car accessories, home and portable sound products, FRS radios, in-vehicle video systems, flat-screen televisions, DVD players and navigation systems. Sales are made through an extensive distribution network of mass merchandisers, power retailers and others. In addition, the Company sells some of its products directly to automobile manufacturers on an OEM basis.

RESULTS OF OPERATIONS

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

	Percentage of Net Sales			
	Three Months Ended August 31,		Nine Months Ended August 31,	
	2000	2001	2000	2001
Net sales:				
Wireless				
Wireless products	84.1%	74.7%	81.1%	74.4%
Activation commissions	1.6	2.0	1.8	2.2
Residual fees	0.1	0.3	0.1	0.2
Other	--	0.1	0.2	0.1
Total Wireless	85.8	77.1	83.2	76.9
Mobile electronics	7.6	13.1	8.8	12.2
Consumer electronics	2.5	3.9	2.5	5.6
Sound	3.9	5.7	5.1	5.2
Other	0.2	0.2	0.4	0.1
Total Electronics	14.2	22.9	16.8	23.1
Total net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	90.9	90.0	90.4	92.2
Gross profit	9.1	10.0	9.6	7.8
Selling	2.2	3.3	2.7	3.0
General and administrative	2.5	3.9	2.8	3.7
Warehousing and assembly	1.2	1.9	1.3	1.8
Total operating expenses	5.9	9.1	6.8	8.5
Operating income (loss)	3.2	0.9	2.8	(0.7)
Interest and bank charges	(0.2)	(0.6)	(0.4)	(0.5)
Equity in income in equity investments	0.1	0.2	0.2	0.3
Gain on sale of investments	--	--	0.2	--
Gain on hedge of available-for-sale securities	0.2	--	0.1	--
Other, net	--	--	0.1	0.1
Income (loss) before provision for (recovery of) income taxes	3.3	0.5	3.0	(0.8)
Provision for (recovery of) income taxes	1.2	0.2	1.1	(0.3)
Net income (loss)	2.1%	0.3%	1.9%	(0.5)%

Consolidated Results
Three months ended August 31, 2000 compared to three months ended August 31, 2001

The net sales and percentage of net sales by marketing group and product line for the three months ended August 31, 2000 and August 31, 2001 are reflected in the following table:

	Three Months Ended August 31, 2000		Three Months Ended August 31, 2001	
Net sales:				
Wireless				
Wireless products	$395,346	84.1%	$234,576	74.7%
Activation commissions	7,827	1.6	6,230	2.0
Residual fees	550	0.1	954	0.3
Other	--	--	185	0.1
Total Wireless	403,723	85.8	241,945	77.1
Electronics				
Mobile electronics	35,534	7.6	41,242	13.1
Consumer electronics	11,692	2.5	12,344	3.9
Sound	18,319	3.9	17,867	5.7
Other	1,066	0.2	499	0.2
Total Electronics	66,611	14.2	71,952	22.9
Total	$470,334	100.0%	$313,897	100.0%

Net sales for the third quarter of 2001 were $313,897, a decrease of $156,437, or 33.3%, from 2000. The decrease in net sales was in the Wireless Group which was slightly offset by an increase in the Electronics Group. Sales from our international subsidiaries increased from 2000 by approximately $699 or 10.0%. Gross margins were 10.0% in 2001 compared to 9.1% in 2000. The increase in gross margins was primarily due to a change in the overall mix of sales, from wireless products to electronics products, which have a higher gross margin. Individually, both divisions experienced lower gross margins in 2001 than 2000, 6.6% vs. 7.0% in Wireless and 21.6% vs. 22.0% in Electronics. In addition, we were able to recover higher than anticipated values on our previously written-down analog inventory. Operating expenses increased to $28,717 from $27,689, respectively, a 3.7% increase. As a percentage of sales, operating expenses increased to 9.1% in 2001 from 5.9% in 2000. Operating income for 2001 was $2,796 compared to operating income of $15,058 in 2000.

Nine months ended August 31, 2000 compared to nine months ended August 31, 2001

The net sales and percentage of net sales by marketing group and product line for the nine months ended August 31, 2000 and August 31, 2001 are reflected in the following table:

	Nine Months Ended			
	August 31, 2000		August 31, 2001	
Net sales:				
Wireless				
Wireless products	$ 966,704	81.1%	$ 685,070	74.4%
Activation commissions	21,566	1.8	20,347	2.2
Residual fees	1,307	0.1	1,855	0.2
Other	2,833	0.2	472	0.1
Total Wireless	992,410	83.2	707,744	76.9
Electronics				
Mobile electronics	105,466	8.8	112,215	12.2
Consumer electronics	30,280	2.5	51,179	5.6
Sound	60,830	5.1	47,870	5.2
Other	3,138	0.4	1,768	0.1
Total Electronics	199,714	16.8	213,032	23.1
Total	$1,192,124	100.0%	$ 920,776	100.0%

Net sales for the first nine months of 2001 were $920,776, a decrease of $271,348, or 22.8%, from 2000. The decrease in net sales was in the Wireless Group which was slightly offset by an increase in the Electronics Group. Sales from our international subsidiaries increased from 2000 by approximately 1.8%. Gross margins were 7.8% in 2001 compared to 9.6% in 2000. The decrease in gross margins was primarily due to $13.9 million of charges, which includes both realized losses and a $13.5 million write-down during the second quarter relating to the Company's exit from the analog market, with the exception of fixed-based cellular. This was partially offset as we were able to recover higher than anticipated values on the previously written-down analog inventory. Operating expenses decreased to $78,693 from $81,597, a 3.6% decrease. As a percentage of sales, operating expenses increased to 8.5% in 2001 from 6.8% in 2000. Operating loss for 2001 was $(6,797) compared to operating income of $33,150 in 2000.

Wireless Results

Three months ended August 31, 2000 compared to three months ended August 31, 2001

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

	Three Months Ended			
	August 31, 2000		August 31, 2001	
Net sales:				
Wireless products	$ 395,346	97.9%	$ 234,576	97.0%
Activation commissions	7,827	1.9	6,230	2.6
Residual fees	550	0.2	954	0.3
Other	--	--	185	0.1
	403,723	100.0%	241,945	100.0%
Gross profit	28,078	7.0	15,965	6.6
Total operating expenses	12,811	3.2	12,417	5.1
Operating income	15,267	3.8	3,548	1.5
Other expense	(1,190)	(0.3)	(2,516)	(1.0)
Pre-tax income	$ 14,077	3.5%	$ 1,032	0.5%

Net sales were $241,945 in the third quarter of 2001, a decrease of $161,778, or 40.0%, from last year. Unit sales of wireless handsets decreased by 339,000 units in 2001, or 13.7%, to approximately 2,132,000 units from 2,471,000 units in 2000. This decrease was primarily due to decreased sales of both analog and digital handsets which was due to delayed digital product acceptances by our customers and a decrease in tri-mode phone sales. The average selling price of handsets decreased to $105 per unit in 2001 from $154 per unit in 2000. This decrease was primarily due to the close out of approximately 300,000 analog handheld phones. We also sold additional TDMA product at lower average selling prices. The number of new wireless subscriptions processed by Quintex decreased 6.7% in 2001, with a corresponding decrease in activation commissions of approximately $1,889 in 2001. The average commission received by Quintex per activation decreased 17.8% from 2000. Gross profit margins decreased to 6.6% in 2001 from 7.0% in 2000, primarily due to lower average selling prices, partially offset by having a better than anticipated recovery on sales of analog product that was written down during the second quarter. Gross profit margins also decreased due to both delayed introductions and fewer new high-priced models, strong competition in the marketplace and closeout of older models. This also reflects the competitive nature of the wireless marketplace and pricing pressures associated with supporting various wireless carrier programs. Operating expenses decreased to $12,417 from $12,811. Selling expenses decreased from last year, primarily in divisional marketing. The decrease was partially offset by increases in commissions, salesmen's salaries, and travel. General and administrative expenses decreased from 2000, primarily in bad debt expense and employee benefits. Warehousing and assembly expenses decreased during 2001 from last year, primarily in tooling expenses, partially offset by an increase in temporary personnel. Operating income for 2001 was $3,548 compared to last year's $15,267.

Nine months ended August 31, 2000 compared to nine months ended August 31, 2001

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

	Nine Months Ended August 31, 2000		August 31, 2001	
Net sales:				
Wireless products	$ 966,704	97.4%	$ 685,070	96.8%
Activation commissions	21,566	2.2	20,347	2.8
Residual fees	1,307	0.1	1,855	0.3
Other	2,833	0.3	472	0.1
	992,410	100.0%	707,744	100.0%
Gross profit	71,388	7.2	27,650	3.9
Total operating expenses	38,238	3.9	33,779	4.8
Operating income (loss)	33,150	3.3	(6,129)	(0.9)
Other expense	(6,264)	(0.6)	(5,284)	(0.7)
Pre-tax income (loss)	$ 26,886	2.7%	$ (11,413)	(1.6)%

Net sales were $707,744 for the nine months ended August 31, 2001, a decrease of $284,666, or 28.7%, from last year. Unit sales of wireless handsets decreased by 957,000 units in 2001, or 15.4%, to approximately 5,266,000 units from 6,223,000 units in 2000. This decrease was attributable to decreased sales of both analog and digital handsets which was due to delayed digital product acceptances by our customers and slower sales. The average selling price of handsets decreased to $124 per unit in 2001 from $149 per unit in 2000. The number of new wireless subscriptions processed by Quintex increased 3.0% in 2001, with a corresponding decrease, however, in activation commissions of approximately $2,205 in 2001. The average commission received by Quintex per activation decreased 12.4% from 2000. Gross profit margins decreased to 3.9% in 2001 from 7.2% in 2000, primarily due to the $13,900 of charges relating to the Company's exit from the analog market, with the exception of fixed-based cellular, partially offset as the final selling price of this inventory was better than anticipated. Gross profit margins also decreased due to delayed introductions of newer, higher-priced models, strong competition in the marketplace and closeout of older models. This decrease in margins also reflects the competitive nature of the wireless marketplace and pricing pressures associated with supporting various wireless carrier programs. Operating expenses decreased to $33,779 from $38,238. Selling expenses decreased from last year, primarily in divisional marketing. In connection with the decline in the analog market, a market development program was terminated which resulted in a reversal of approximately $3.0 million of accrued market development funds. Such decreases were partially offset by increases in commissions and travel. General and administrative expenses decreased from 2000, primarily in bad debt expense and office expenses. Warehousing and assembly expenses increased during 2001 from last year, primarily due to out-sourced personnel. Operating loss for 2001 was $(6,129) compared to last year's operating income of $33,150.

Management believes that the wireless industry will continue to be extremely competitive in both price and technology. As the growth in the wireless marketplace has slowed, carrier customer purchasing practices have changed and pricing pressures have intensified. This has and could continue to affect gross margins and the carrying value of inventories in the future. As the market for digital products becomes more competitive, the Company may be required to adjust the carrying value of its inventory in the future. Industry and financial market forecasts call for slower growth in the global handset market. Currently, there is a global surplus of handsets, both at manufacturer and carrier levels. Though this over-supply situation is abating, it may continue to impact the Company in the future. There is also the potential for shortages in the availability of certain wireless components and parts which may affect our vendors' ability to provide handsets to us on a timely basis, which may result in delayed shipments to our customers and decreased sales.

Electronics Results
Three months ended August 31, 2000 compared to three months ended August 31, 2001

The following table sets forth for the periods indicated certain statements of operations data and percentage of net sales by product line for the Electronics Group:

	Three Months Ended August 31, 2000		August 31, 2001	
Net sales:				
Mobile electronics	$ 35,534	53.3%	$ 41,242	57.3%
Consumer electronics	11,692	17.6	12,344	17.2
Sound	18,319	27.5	17,867	24.8
Other	1,066	1.6	499	0.7
Total net sales	66,611	100.0	71,952	100.0
Gross profit	14,680	22.0	15,549	21.6
Total operating expenses	11,013	16.5	12,569	17.5
Operating income	3,667	5.5	2,980	4.1
Other income (expense)	(140)	(0.2)	413	0.6
Pre-tax income	$ 3,527	5.3%	$ 3,393	4.7%

Net sales increased $5,341 compared to last year, an increase of 8.0%. Mobile electronics sales increased 16.1% compared to last year to $41,242, primarily due to increases in mobile video and security sales. Consumer electronics sales increased 5.6% from last year due to increased sales of FRS radios, portable DVD players and home stereo products. Sound sales decreased 2.5% from last year to $17,867, primarily in the AV and SPS product lines. Net sales in the Company's Malaysian subsidiary decreased from last year by approximately 20.2% which reflects the slowing economy in the Far East and the decline in OEM sales in Malaysia. The Company's Venezuelan subsidiary experienced an increase of 54.5% in sales from last year primarily from OEM. Gross margins of the Electronics Group were 21.6% in 2001 and 22.0% in 2000. The decrease in gross profit margin was primarily in mobile and consumer electronics with the sound category showing an increase. Operating expenses increased $1,556 from last year to $12,569. As a percentage of sales, operating expenses increased to 17.5% from 16.5%. Selling expenses increased from last year, primarily in commissions and trade show expenses. General and administrative expenses increased from 2000, primarily in employee benefits, office salaries and bad debt expenses. Warehousing and assembly expenses increased from 2000, primarily in direct labor and field warehousing expenses. Operating income was $2,980 compared to last year's $3,667.

Nine months ended August 31, 2000 compared to nine months ended August 31, 2001

The following table sets forth for the periods indicated certain statements of operations data and percentage of net sales by product line for the Electronics Group:

	Nine Months Ended August 31, 2000		August 31, 2001	
Net sales:				
Mobile electronics	$ 105,466	52.8%	$ 112,215	52.7%
Consumer electronics	30,280	15.2	51,179	24.0
Sound	60,830	30.5	47,870	22.5
Other	3,138	1.5	1,768	0.8
Total net sales	199,714	100.0	213,032	100.0
Gross profit	43,572	21.8	44,238	20.8
Total operating expenses	31,943	16.0	35,077	16.5
Operating income	11,629	5.8	9,161	4.3
Other expense	(1,070)	(0.5)	(261)	(0.1)
Pre-tax income	$ 10,559	5.3%	$ 8,900	4.2%

Net sales increased $13,318 compared to last year, an increase of 6.7%. Mobile electronics sales increased 6.4% compared to last year to $112,215, primarily due to increases in security and navigation products, partially offset by declines in sales of Protector Hardgoods. Consumer electronics sales also increased 69.0% from last year due to increased sales of FRS radios, portable DVD players and home stereo products. Sound sales decreased 21.3% from last year to $47,870, primarily in the AV and SPS product lines. Net sales in the Company's Malaysian subsidiary decreased from last year by approximately 17.1%. The Company's Venezuelan subsidiary experienced an increase of 30.2% in sales from last year. Gross margins of the Electronics Group were 20.8% in 2001 and 21.8% in 2000. Operating expenses increased $3,134 from last year to 16.5% of sales up from last year's 16.0% of sales. Selling expenses increased from last year, primarily in commissions, advertising and trade show expenses. General and administrative expenses increased from 2000, primarily in office salaries, employee benefits and insurance expenses. Warehousing and assembly expenses increased from 2000, primarily in direct labor and field warehousing expenses. Operating income was $9,161 compared to last year's $11,629.

The Company believes that the Electronics Group has an expanding market with a certain level of volatility related to both domestic and international new car sales. As the Company moves further into the Consumer Electronics market, it may become susceptible to changes in overall economic conditions. Also, certain of its products are subject to price fluctuations which could affect the carrying value of inventories and gross margins in the future. The Electronics Group may also experience additional competition in the mobile video category as more distributors enter the market and from increased competition in the Malaysian and Venezuelan markets. Global economic uncertainty could also affect the markets for our products.

Other Income and Expense

Interest expense and bank charges increased by $753 and decreased by $1,093 for the three and nine months ended August 31, 2001, respectively, compared to the same periods last year. The increase in interest expense and bank charges during the quarter as compared to the same period in the prior year was due to higher interest-bearing debt, partially offset by a decline in interest rates, while the decrease for the nine months as compared to the same period in the prior year was due to lower outstanding debt during the first part of the fiscal year and lower interest rates. Equity in income of equity investments increased $127 and $909 for the three and nine months ended August 31, 2001, respectively, as compared to the same periods last year. For the three and nine months ended August 31, 2000 and 2001, Audiovox Specialty Applications, LLC represented the majority of equity in income of equity investments. Other income for the quarter and nine months decreased from last year's similar periods due to non-recurring transactions related to sale of investments and hedge of available-for-sale securities.

Provision for Income Taxes

The effective tax (recovery) rate for the three and nine months ended August 31, 2001 was (38.1%) and (35.4%) compared to last year's 35.5% and 37.2% for the comparable periods. The changes in the effective tax rates were principally due to changes in the proportion of domestic and foreign earnings and benefits as a result of the losses incurred.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at August 31, 2001 decreased $2,607 from the November 30, 2000 level. Operating activities used $57,628, primarily from an increase of $88,568 in inventory and decreases in accounts payable and accrued expenses of $53,601, partially offset by decreases in accounts receivable of $90,990. Accounts receivable days on hand increased to 50 days at August 31, 2001 from 42 days at August 31, 2000. The increase in accounts receivable days on hand was in the Wireless Group and is due to delayed customer remittances. Inventory days on hand increased from 33 days last year to 68 days this year. The increase in inventory value and days on hand was primarily in the Wireless Group, due to late product introductions, which resulted in a build-up of tri-mode inventory. Investing activities used $656, primarily from the purchase of property, plant and equipment and partially offset by distributions received from an equity investment. Financing activities provided $55,692, primarily from borrowings on the line of credit agreement, partially offset by repurchases of Class A common stock and the payment of a dividend to the minority stockholder of ACC for their share of last year's profits.

The Company maintains a revolving credit agreement with various financial institutions. The credit agreement provides for $250,000 of available credit, including $15,000 for foreign currency borrowings and expires July 27, 2004.

Under the credit agreement, the Company may obtain credit through direct borrowings and letters of credit. The obligations of the Company under the credit agreement are guaranteed by certain of the Company's subsidiaries and is secured by accounts receivable, inventory and the Company's shares of ACC. The Company's ability to borrow under its credit facility is a maximum aggregate amount of $250,000, subject to certain conditions, based upon a formula taking into account the amount and quality of its accounts receivable and inventory. The credit agreement also allows for commitments up to $50,000 in forward exchange contracts.

The credit agreement contains several covenants requiring, among other things, minimum levels of pre-tax income and minimum levels of net worth and working capital. Additionally, the agreement includes restrictions and limitations on payments of dividends, stock repurchases and capital expenditures. During the quarter ended May 31, 2001, the Company was not in compliance with its pre-tax income covenant due to the analog write-down and obtained a waiver for the quarter ended May 31, 2001.

The Company also has revolving credit facilities in Malaysia and Venezuela to finance additional working capital needs. The Malaysian credit facilities are partially secured by the Company under standby letters of credit and are payable upon demand or upon expiration of the standby letters of credit. The obligations of the Company under the Malaysian credit facilities are secured by the property and building in Malaysia owned by Audiovox Communications Sdn. Bhd. The Venezuelan credit facility is secured by the Company under a standby letter of credit and is payable upon demand or upon expiration of the standby letter of credit.

The Company believes that it has sufficient liquidity to satisfy its anticipated working capital and capital expenditure needs through November 30, 2001 and for the reasonable foreseeable future.

Recent Accounting Pronouncements

On December 3, 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 101 - "Revenue Recognition in Financial Statements" (SAB No. 101). SAB No. 101 provides the SEC staff's views in applying generally accepted accounting principles to revenue recognition in the financial statements. SAB No. 101 delayed the implementation date for registrants to adopt the accounting guidance contained in SAB No. 101 by no later than the fourth fiscal quarter of the fiscal year ending November 30, 2001. Management of the Company does not believe that applying the accounting guidance of SAB No. 101 will have a material effect on its financial position or results of operations.

In March 2000, the Emerging Issues Task Force issued EITF 99-19, "Reporting Revenue Gross as a Principal verses Net as an Agent" (EITF 99-19). EITF 99-19 addresses whether a company should report revenue based on (a) the gross amount billed to the customer because it has earned revenue from the sale of the goods or services or (b) the net amount retained (that is, the amount billed to a customer less the amount paid to a supplier) because it has earned a commission or fee. The Task Force reached a consensus that whether a company should recognize revenue at the gross amount billed or the net amount retained, as defined above, because it has earned a commission or fee is a matter of judgment that depends on the relevant facts and circumstances. The Task Force also gave examples which should be considered in that evaluation. The consensus is effective for the fourth quarter of the Company's fiscal year ending November 30, 2001. Upon application of the consensus, comparative financial statements should be reclassified. The Company will adopt EITF 99-19 during the quarter ended November 30, 2001. Management does not believe that implementation of EITF 99-19 will have a material impact on the Company's consolidated financial statements.

In April 2001, the Emerging Issues Task Force (EITF) reached a final consensus on EITF Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products," which requires that, unless specific criteria are met, consideration from a vendor to a retailer (e.g., "slotting fees", cooperative advertising arrangements, "buy downs", etc.) be recorded as a reduction from revenue, as opposed to a selling expense. This consensus is effective for fiscal quarters beginning after December 15, 2001. Management of Company is in the process of assessing the impact that implementing EITF Issue No. 00-25 will have on the consolidated financial statements.

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement No. 141, "Business Combinations" (Statement 141), and Statement No. 142, "Goodwill and Other Intangible Assets" (Statement 142). Statement 141 requires companies to account for acquisitions entered into after June 30, 2001 using the purchase method and establishes criteria to be used in determining whether acquired intangible assets are to be recorded separately from goodwill. These criteria are to be applied to business combinations completed after June 30, 2001. Statement 141 will require, upon adoption of Statement 142, that the Company evaluate its existing intangible assets and goodwill that were acquired in a prior purchase business combination, and make any necessary reclassifications in order to conform with the new criteria in Statement 141 for recognition apart from goodwill. The Company does not believe that implementation of Statement 141 will have an impact on the Company's financial position and results of operations.

Statement 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but rather will be tested for impairment at least annually. Statement 142 also requires that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". Upon adoption of Statement 142, the Company will be required to perform an assessment of whether there is an indication that goodwill (and equity-method goodwill) is impaired as of the date of adoption. To accomplish this, the Company must identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. The Company is required to adopt the provisions of Statement 142 effective December 1, 2002, however, the Company is considering adopting Statement 142 effective December 1, 2001. The Company has not yet determined the impact that the adoption of Statement 142 will have on its financial position or results of operations.

Forward-Looking Statements

Except for historical information contained herein, statements made in this release that would constitute forward-looking statements may involve certain risks such as our ability to keep pace with technological advances, significant competition in the wireless, mobile and consumer electronics businesses, quality and consumer acceptance of newly-introduced products, our relationships with key suppliers and customers, market volatility, non-availability of product, excess inventory, price and product competition, new product introductions, the uncertain economic and political climate in the United States and throughout the rest of the world and the potential that such climate may deteriorate further and other risks detailed in the Company's Form 10-K for the fiscal year ended November 30, 2000 and the Form 10-Q for the second quarter ended May 31, 2001. These factors, among others, may cause actual results to differ materially from the results suggested in the forward-looking statements. Forward-looking statements include statements relating to, among other things:

- growth trends in the wireless, automotive and consumer electronic businesses
- technological and market developments in the wireless, automotive and consumer electronics businesses o liquidity
- availability of key employees
- expansion into international markets
- the availability of new consumer electronic products

These forward-looking statements are subject to numerous risks, uncertainties and assumptions about the Company including, among other things:

- the ability to keep pace with technological advances
- significant competition in the wireless, automotive and consumer electronics businesses
- quality and consumer acceptance of newly introduced products
- the relationships with key suppliers
- the relationships with key customers
- possible increases in warranty expense
- the loss of key employees

- foreign currency risks
- political instability
- changes in U.S. federal, state and local and foreign laws
- changes in regulations and tariffs
- seasonality and cyclicality
- inventory obsolescence, availability and price volatility due to market conditions

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

No reports were filed on Form 8-K for the quarter ended August 31, 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AUDIOVOX CORPORATION

By:s/John J. Shalam

John J. Shalam
President and Chief
Executive Officer

Dated: October 15, 2001

By:s/Charles M. Stoehr

Charles M. Stoehr
Senior Vice President and
Chief Financial Officer