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

FORM 10-Q

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

For Quarter Ended February 29, 2000

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 April 11, 2000
Class A Common Stock	20,245,865 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, 1999	February 29, 2000 (unaudited)
Assets		
Current assets:		
Cash	$ 5,527	$ 12,231
Accounts receivable, net	237,272	168,538
Inventory, net	136,554	193,144
Receivable from vendor	9,327	12,119
Prepaid expenses and other current assets	7,940	9,955
Deferred income taxes, net	7,675	8,296
Total current assets	404,295	404,283
Investment securities	30,401	25,905
Equity investments	13,517	13,905
Property, plant and equipment, net	19,629	19,725
Excess cost over fair value of assets acquired and other intangible assets, net	5,661	5,564
Other assets	1,580	1,160
	$ 475,083	$ 470,542
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 76,382	$ 55,103
Accrued expenses and other current liabilities	29,068	24,505
Income taxes payable	8,777	6,752
Bank obligations	15,993	8,315
Documentary acceptances	1,994	--
Total current liabilities	132,214	94,675
Bank obligations	102,007	33,591
Deferred income taxes, net	8,580	7,283
Long-term debt	5,932	5,581
Capital lease obligation	6,279	6,274
Total liabilities	255,012	147,404
Minority interest	3,327	3,463
Stockholders' equity:		
Preferred stock, liquidation preference of $2,500	2,500	2,500
Common stock:		
Class A; 30,000,000 authorized; 17,827,946 and 20,142,246 issued at November 30, 1999 and February 29,2000, respectively; 17,206,909 and 19,521,209 outstanding at November 30, 1999 and February 29, 2000, respectively	179	202
Class B convertible; 10,000,000 authorized; 2,260,954 issued	22	22
Paid-in capital	149,278	247,121
Retained earnings	63,142	68,443
Accumulated other comprehensive income	5,165	4,929
Gain on hedge of available-for-sale securities, net	929	929
Treasury stock, at cost, 621,037 Class A common stock November 30, 1999 and February 29, 2000	(4,471)	(4,471)
Total stockholders' equity	216,744	319,675
Commitments and contingencies		
Total liabilities and stockholders' equity	$ 475,083	$ 470,542

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income
For the Three Months Ended February 28, 1999 and February 29, 2000
(In thousands, except share and per share data)
(unaudited)

	Three Months Ended February 28, 1999	Three Months Ended February 29, 2000
Net sales	$ 210,266	$ 340,156
Cost of sales	184,046	305,288
Gross profit	26,220	34,868
Operating expenses:		
Selling	8,685	10,359
General and administrative	9,161	11,048
Warehousing, assembly and repair	3,172	4,380
Total operating expenses	21,018	25,787
Operating income	5,202	9,081
Other income (expense):		
Interest and bank charges	(1,107)	(2,639)
Equity in income of equity investments, management fees and related income, net	621	982
Gain on sale of investments	239	328
Other, net	132	1,021
Total other expense, net	(115)	(308)
Income before provision for income taxes	5,087	8,773
Provision for income taxes	2,105	3,473
Net income	$ 2,982	$ 5,300
Net income per common share (basic)	$ 0.16	$ 0.27
Net income per common share (diluted)	$ 0.16	$ 0.25
Weighted average number of common shares outstanding (basic)	19,021,472	19,951,186
Weighted average number of common shares outstanding (diluted)	19,277,942	21,575,569

See accompanying notes to consolidated financial statements.

AUDIOVOX CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Three Months Ended February 28, 1999 and February 29, 2000
(In thousands)
(unaudited)

	February 28, 1999	February 29, 2000
Cash flows from operating activities:		
Net income	$ 2,982	$ 5,300
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	718	860
Provision for (recovery of) bad debt expense	109	(74)
Equity in income of equity investments, management fees and related income, net	(628)	(990)
Minority interest	(140)	135
Gain on sale of investments	(239)	(328)
Deferred income tax benefit	--	(1,289)
Provision for unearned compensation	48	--
(Gain) loss on disposal of property, plant and equipment, net	4	(1)
Change in:		
Accounts receivable	(2,675)	68,627
Inventory	6,344	(56,731)
Accounts payable, accrued expenses and other current liabilities	(1,451)	(25,517)
Receivable from vendor	(4,591)	(2,792)
Income taxes payable	2,083	(2,025)
Prepaid expenses and other, net	524	(834)
Net cash provided by (used in) operating activities	3,088	(15,659)
Cash flows from investing activities:		
Purchases of property, plant and equipment, net	(1,304)	(903)
Net proceeds from sale of investment securities	1,777	3,103
Proceeds from distribution from equity investment	202	338
Net cash provided by investing activities	675	2,538
Cash flows from financing activities:		
Net repayments under line of credit agreements	(8,706)	(76,024)
Net repayments under documentary acceptances	(1)	(1,994)
Principal payments on capital lease obligation	(16)	(5)
Proceeds from exercise of stock options and warrants	--	166
Net proceeds from follow-on offering	--	97,677
Net cash (used in) provided by financing activities	(8,723)	19,820
Effect of exchange rate changes on cash	(5)	5
Net increase (decrease) in cash	(4,965)	6,704
Cash at beginning of period	9,398	5,527
Cash at end of period	$ 4,433	$ 12,231

See accompanying notes to consolidated financial statements.

(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, 1999 and February 29, 2000, the consolidated statements of income for the three month periods ended February 28, 1999 and February 29, 2000, and the consolidated statements of cash flows for the three months ended February 28, 1999 and February 29, 2000. 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 1999 Annual Report filed on Form 10-K.

(2) Supplemental Cash Flow Information

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

	Three Months Ended February 28, 1999	Three Months Ended February 29, 2000
Cash paid during the period:		
Interest (excluding bank charges)	$ 445	$2,500
Income taxes	$ 178	$6,247

During the first quarters ended February 28, 1999 and February 29, 2000, the Company recorded a net unrealized holding gain (loss) relating to available-for-sale marketable securities, net of deferred taxes, of $5,025 and $(1,082), respectively, as a component of accumulated other comprehensive income.

(3) Net Income Per Common Share

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

	Three Months Ended February 28, 1999	Three Months Ended February 29, 2000
Net income (numerator for basic income per share)	$ 2,982	$ 5,300
Interest on 6 1/4% convertible subordinated debentures, net of tax	21	10
Adjusted net income (numerator for diluted income per share)	$ 3,003	$ 5,310
Weighted average common shares (denominator for basic income per share)	19,021,472	19,951,186
Effect of dilutive securities:		
6 1/4% convertible subordinated debentures	128,192	57,627
Employee stock options and stock warrants	47,478	1,553,106
Employee stock grants	80,800	13,650
Weighted average common and potential common shares outstanding (denominator for diluted income per share)	19,277,942	21,575,569
Basic income per common share	$ 0.16	$ 0.27
Diluted income per common share	$ 0.16	$ 0.25

Employee stock options and stock warrants totaling 1,695,300 for the quarter ended February 28, 1999 were not included in the net income per common share calculation because their effect would have been anti-dilutive. There were no anti-dilutive stock options or stock warrants for the quarter ended February 29, 2000.

(4) Comprehensive Income

The accumulated other comprehensive income of $5,165 and $4,929 at November 30, 1999 and February 29, 2000, respectively, on the accompanying consolidated balance sheets is the net accumulated unrealized gain on the Company's available-for-sale investment securities of $9,929 and $8,847 at November 30, 1999 and February 29, 2000, respectively, and the accumulated foreign currency translation adjustment of $(4,764) and $(3,918) at November 30, 1999 and February 29, 2000, respectively.

The Company's total comprehensive income was as follows:

	Three Months Ended February 28, 1999	Three Months Ended February 29, 2000
Net income	$ 2,982	$ 5,300
Other comprehensive income:		
Foreign currency translation adjustments	49	846
Unrealized gains (losses) on securities:		
Unrealized holding gains (losses) arising during period, net of tax	5,173	(879)
Less: reclassification adjustment for gains realized in net income, net of tax	(148)	(203)
Net unrealized gains (losses)	5,025	(1,082)
Other comprehensive income, net of tax	5,074	(236)
Total comprehensive income	$ 8,056	$ 5,064

The change in net unrealized gain (loss) on marketable securities presented above of $5,025 and $(1,082) for the periods ended February 28, 1999 and February 29, 2000 is net of tax of $3,080 and $(663), respectively. The reclassification adjustment presented above is net of tax expense of $91 and $125 for the three months ended February 28, 1999 and February 29, 2000, respectively.

(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 described in the summary of significant accounting policies. 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 jointly 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. Segment identifiable assets are those which are directly used in or identified to segment operations.

Effective December 1, 1999, a non-Quintex retail operation, previously reported in the Wireless segment, has been included in the other category.

	Wireless	Electronics	Other	Corporate	Consolidated Totals
First Quarter 1999					
Net sales	$ 162,725	$ 44,942	$ 2,599	--	$ 210,266
Intersegment sales (purchases)	(1,297)	1,335	(38)	--	--
Pre-tax income (loss)	3,431	1,815	92	$ (251)	5,087
Total assets	120,505	75,024	4,115	83,089	282,733
First Quarter 2000					
Net sales	$ 276,624	$ 60,519	$ 3,013	--	$ 340,156
Intersegment sales (purchases)	(1,036)	1,077	(41)	--	--
Pre-tax income (loss)	5,639	3,230	99	$ (195)	8,773
Total assets	261,869	112,998	4,174	91,501	470,542

(6) Follow-on Offering

In February 2000, the Company sold, pursuant to an underwritten public offering, 2,300,000 shares of its Class A common stock as a price of $45.00 per share. The Company received $97,677 in net proceeds after deducting underwriting commission and offering expenses. The net proceeds from the offering were used to repay a portion of amounts outstanding under the revolving credit facility.

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 to a large and diverse network both domestically and internationally. The Company operates through two marketing groups: Wireless and Electronics. The Wireless Group 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 a lesser extent, carriers overseas. Quintex is a small operation for the direct sale of handsets, accessories and wireless telephone service. For the first three months of 2000, sales through Quintex were $12,115 or 4.4% of the Wireless Group sales. Quintex receives activation commissions and residual fees from retail sales, in addition to a monthly residual payment which is based upon a percentage of the customer's usage.

The Electronics Group consists of Audiovox Electronics (AE), a division of Audiovox, Audiovox Communications (Malaysia) Sdn. Bhd., Audiovox Holdings (M) Sdn. Bhd. and Audiovox Venezuela, C.A., which are majority-owned subsidiaries. The Electronics Group markets automotive sound and security systems, electronic car accessories, home and portable sound products, FRS radios and in-vehicle video 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.

The Company allocates interest and certain shared expenses to the marketing groups based upon estimated usage. General expenses and other income items that are not readily allocable are not included in the results of the two marketing groups.

RESULTS OF OPERATIONS

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

	Percentage of Net Sales Three Months Ended	
	February 28, 1999	February 29, 2000
Net sales:		
Wireless		
Wireless products	72.7%	78.8%
Activation commissions	3.3	2.0
Residual fees	0.4	0.1
Other	0.8	0.4
Total Wireless	77.4	81.3
Electronics		
Sound	7.2	6.4
Mobile electronics	12.1	9.1
Consumer electronics	2.1	2.3
Total Electronics	21.4	17.8
Other	1.2	0.9
Total net sales	100.0	100.0
Cost of sales	87.5	89.7
Gross profit	12.5	10.3
Selling	4.1	3.0
General and administrative	4.4	3.2
Warehousing, assembly and repair	1.5	1.3
Total operating expenses	10.0	7.5
Operating income	2.5	2.7
Interest and bank charges	0.5	0.8
Income in equity investments, management fees and related income, net	0.3	0.3
Gain on sale of investments	0.1	0.1
Other income	0.1	0.3
Income before provision for income taxes	3.7	2.4
Provision for income taxes	1.0	1.0
Net income	1.4%	1.6%

Consolidated Results
Three months ended February 28, 1999 compared to three months ended February 29, 2000

The net sales and percentage of net sales by product line and marketing group for the three months ended February 28, 1999 and February 29, 2000 are reflected in the following table:

	Three Months Ended			
	February 28, 1999		February 29, 2000	
Net sales:				
Wireless				
Wireless products	$153,049	72.8%	$267,968	78.8%
Activation commissions	7,007	3.3	6,736	2.0
Residual fees	889	0.4	484	0.1
Other	1,780	0.8	1,436	0.4
Total Wireless	162,725	77.4	276,624	81.3
Electronics				
Sound	15,043	7.2	21,727	6.4
Mobile electronics	25,508	12.1	31,079	9.1
Consumer electronics	4,391	2.1	7,713	2.3
Total Electronics	44,942	21.4	60,519	17.8
Other	2,599	1.2	3,013	0.9
Total	$210,266	100.0%	$340,156	100.0%

Net sales for the first quarter of 2000 were $340,156, an increase of $129,890, or 61.7%, from 1999. The increase in net sales was in both the Wireless and Electronics Groups. Sales from our Malaysian subsidiary were unchanged from 1999 at approximately $4,300. Sales in Venezuela increased 44.7% over last year. Gross margins were 10.3% in 2000 compared to 12.5% in 1999. Operating expenses increased to $25,787 from $21,018, a 22.7% increase. However, as a percentage of sales, operating expenses decreased to 7.6% in 2000 from 10.0% in 1999. Operating income for 2000 was $9,081 compared to $5,202 in 1999, an increase of $3,879 or 74.6%.

Wireless Results
Three months ended February 28, 1999 compared to three months ended February 29, 2000

The Wireless Group is composed of ACC and Quintex, both subsidiaries of the Company.

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

	Three Months Ended			
	February 28, 1999		February 29, 2000	
Net sales:				
Products	$ 153,049	94.1%	$ 267,968	96.9%
Activations	7,007	4.3	6,736	2.4
Residuals	889	0.5	484	0.2
Other	1,780	1.1	1,436	0.5
	162,725	100.0	276,624	100.0
Gross profit	15,404	9.5	20,960	7.6
Total operating expenses	10,561	6.5	12,411	4.5
Operating income	4,843	3.0	8,549	3.1
Other expense	(1,412)	(0.9)	(2,910)	(1.1)
Pre-tax income	$ 3,431	2.1%	$ 5,639	2.0%

Net sales were $276,624 in the first quarter of 2000, an increase of $113,899, or 70.0%, from last year. Unit sales of wireless handsets increased by 775,000 units in 2000, or 71.7%, to approximately 1,856,000 units from 1,081,000 units in 1999. This increase was attributable to sales of portable, digital products. The addition of new suppliers also provided a variety of new digital, wireless products that contributed to the sales increase. The average selling price of handsets increased to $140 per unit in 2000 from $134 per unit in 1999. The number of new wireless subscriptions processed by Quintex increased 16.0% in 2000, but with a corresponding decrease in activation commissions of approximately $271 in 2000. The average commission received by Quintex per activation decreased by approximately 17.1% in 2000 from 1999. Unit gross profit margins decreased to 6.3% in 2000 from 7.4% in 1999, reflecting the higher average unit cost of the newer portable phones, partially offset by the increase in unit selling price. This also reflects the competitive nature of the wireless marketplace and the pressure of supporting various wireless carrier programs and promotions. Operating expenses increased to $12,411 from $10,561. As a percentage of net sales, however, operating expenses decreased to 4.5% during 2000 compared to 6.5% in 1999. Selling expenses increased $645 from last year, primarily in advertising, divisional marketing and trade show expense, partially offset by decreases in commissions. General and administrative expenses increased during 2000 by $551 from 1999, primarily in salaries, temporary personnel and professional fees. Warehousing and assembly expenses increased by $654 during 2000 from last year, primarily due to an increase in tooling expenses and direct labor. Operating income for 2000 was $8,549 compared to last year's $4,843, and increase of $3,706 or 76.5%.

Management believes that the wireless industry is extremely competitive and that this competition could affect gross margins and the carrying value of inventories in the future.

Electronics Results
Three months ended February 28, 1999 compared to three months ended February 29, 2000

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

	Three Months Ended			
	February 28, 1999		February 29, 2000	
Net sales:				
Sound	$ 15,043	33.5%	$ 21,727	35.9%
Mobile electronics	25,508	56.8	31,079	51.4
Consumer electronics	4,391	9.8	7,713	12.7
Total net sales	44,942	100.0	60,519	100.0
Gross profit	9,198	20.5	12,229	20.2
Total operating expenses	6,734	15.0	8,764	14.5
Operating income	2,464	5.5	3,465	5.7
Other expense	(649)	(1.4)	(235)	(0.4)
Pre-tax income	$ 1,815	4.0%	$ 3,230	5.3%

Net sales increased $15,577 compared to last year, an increase of 34.7%. Automotive sound sales increased 44.4% from last year, primarily in AV and Prestige Audio product categories, partially offset by decreases in SPS models. Mobile electronics sales increased 21.8% compared to last year, primarily due to an increase in mobile video sales of approximately $8,700, partially offset by declines in Protector Hardgoods. Consumer electronics sales also increased 75.7% from last year to $7,713. Net sales in the Company's Malaysian subsidiary were unchanged from last year at approximately $4,300. The Company's Venezuelan subsidiary also experienced an increase of 44.7% in sales, over last year. Gross margins decreased to 20.2% in 2000 from 20.5% in 1999. Operating expenses increased $2,030 from last year. Selling expenses increased from last year by $917, primarily in advertising and divisional marketing. General and administrative expenses increased from 1999 by

$710, primarily in occupancy costs, depreciation, salaries and office expenses. Warehousing and assembly expenses increased from 1999 by $403, primarily in tooling and field warehousing, partially offset by a decrease in direct labor. Operating income was $3,465 compared to last year's $2,464, an increase of $1,001 or 40.6%.

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. Also, certain of its products are subject to price fluctuations which could affect the carrying value of inventories and gross margins in the future.

Other Income and Expense

Interest expense and bank charges increased by $1,532 for the three months ended February 29, 2000 compared to the same period last year. The increase in interest expense and bank charges is due to higher average borrowings. Equity in income of equity investments increased $361 for the three months ended February 29, 2000 compared to the same period last year. A major component of equity in income of equity investments is income recorded for Audiovox Specialty Applications, LLC. The Company received $579 of reimbursement of expenses incurred in previous years on behalf of The Protector Corporation, a 50%-owned equity investment, which has been included in other, net in the accompanying consolidated statements of income. The Company also recorded currency translation gains of $251 during the quarter.

Provision for Income Taxes

The effective tax rate decreased for the three months ended February 29, 2000 compared to the same period last year principally due to changes in the proportion of domestic and foreign earnings and benefits from reduced state taxes.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at February 29, 2000 increased $6,704 from the November 30, 1999 level. Operating activities used $15,659, primarily from increases in inventory of $56,731 and decreases in accounts payable of $25,517, partially offset by a decrease of $68,827 in accounts receivable. Accounts receivable days on hand decreased to 53 days at February 29, 2000 from 61 days at February 28, 1999. Inventory days on hand increased from 35 days last year to 69 days this year. The increase in inventory value and days on hand were due to an end of quarter shipment of one specific phone that was still afloat on February 29, 2000. Investing activities provided $2,537, primarily from the sale of investment securities, partially offset by the purchase of property, plant and equipment. Financing activities provided $19,820, primarily from the proceeds of the follow-on offering offset by repayments on the line of credit agreement.

On July 28, 1999, the Company entered into the Fourth Amended and Restated Credit Agreement (the Revised Credit Agreement) which superseded the Third Amended and Restated Credit Agreement in its entirety. The major changes in the Revised Credit Agreement included an increase in the maximum aggregate amount of borrowings from $112,500 to $200,000. Effective December 20, 1999, the Company amended the credit agreement to increase its maximum borrowings to $250,000. The amended and restated credit agreement contains covenants requiring, among other things, minimum quarterly and annual levels of pre-tax income and net worth. Further, the Company may not incur a pre-tax loss in excess of $1,000 for any fiscal quarter and may not incur a pre-tax loss for two consecutive fiscal quarters. In addition, the Company must maintain a net worth base amount of $175,000, plus 50% of consolidated net income for each fiscal year ending on or after November 30, 1999. Further, the Company must, at all times, maintain a debt to worth ratio of not more than

1.75 to 1. The amended and restated credit agreement includes restrictions and limitations on payments of dividends, stock repurchases and capital expenditures. The amended and restated credit agreement expires on July 28, 2004.

The Company's ability to borrow under its credit facility is conditioned on a formula that takes into account the amount and quality of its accounts receivable and inventory. The Company's obligations under the credit agreement are guaranteed by its subsidiaries and are secured by its accounts receivable.

The Company also has revolving credit facilities in Malaysia to finance additional working capital needs. The Malaysian credit facilities are partially secured by the Company under two standby letters of credit and one standby letter of credit and are payable upon demand or upon expiration of the standby letters of credit on August 31, 2000 and January 15, 2001, respectively. 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.

In February 2000, the Company completed a follow on offering of 3,565,000 Class A common shares at a price to the public of $45.00 per share. Of the 3,565,000 shares sold, the Company offered 2,300,000 and 1,265,000 were offered by selling shareholders. Audiovox received approximately $97,677 after deducting expenses. The Company used these net proceeds to repay a portion of amounts outstanding under their revolving credit facility, any portion of which can be reborrowed at any time. The Company did not receive any of the net proceeds from the sale of shares by the selling shareholders.

The Company believes that it has sufficient liquidity to satisfy its anticipated working capital and capital expenditure needs through November 30, 2000 and for the reasonable foreseeable future.

Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Statement 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133." Statement 137 amends Statement 133, "Accounting for Derivative Instruments and Hedging Activities," which was issued in June 1998 and was to be effective for all fiscal quarters of fiscal years beginning after June 15, 1999. Statement 137 defers the effective date of Statement 133 to all fiscal quarters of fiscal years beginning after June 15, 2000. Earlier application is permitted. Statement 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measures those instruments at fair value. Management of the Company has not yet determined the impact, if any, that the implementation of Statement 133 will have on its financial position, results of operations or liquidity.

Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Words such as "may," "believe," "estimate," "expect," "plan," "intend," "project," "anticipate," "continues," "could," "potential," "predict" and similar expressions may identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events, activities or developments. The Company's actual results could differ materially from those discussed in or implied by these 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
- 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 and availability

PART II - OTHER INFORMATION

Item 6 REPORTS ON FORM 8-K

During the first quarter, the Registrant filed one report on Form 8-K. The Form 8-K dated January 10, 2000 and filed January 13, 2000 reported that the Company had announced that its Class A Common Stock would begin trading on the NASDAQ Stock Market on January 13, 2000 under the symbol VOXX and that the Company had executed an amendment to the Credit Agreement to increase its bank credit facility to $250 million, up from $200 million. The Company also announced its earnings for the fourth quarter and the fiscal year ended November 30, 1999.

SIGNATURES

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

AUDIOVOX CORPORATION

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

Dated: April 14, 2000

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

5
0000807707
Audiovox Corporation
1000

3-Mos
Nov-30-2000
Feb-29-2000
12,231
0
173,408
4,870
193,144
404,283
30,353
10,628
470,542
94,675
5,581
0
2,500
224
316,951
470,542
332,536
340,156
299,834
305,288
0
(74)
2,639
8,773
3,473
5,300
0
0
0
5,300
0.27
0.25