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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 14, 2010

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

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

13-1964841
(I.R.S. Employer Identification No.)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of file following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(e))

Item 2.02 **Results of Operations and Financial Condition.**

On May 14, 2010, Audiovox Corporation (the "Company") issued a press release announcing its earnings for the quarter and year ended February 28, 2010. A copy of the release is furnished as Exhibit 99.1 attached hereto.

Item 8.01 **Other Events.**

On May 17, 2010, at 10:00 am EST the Company held a conference call to discuss its financial results for the quarter and year ended February 28, 2010. The Company has prepared a transcript of that conference call, a copy of which is furnished herewith as Exhibit 99.2.

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

Item 9.01(d). **Exhibits**

Exhibit No.	**Description**
99.1	Press Release dated May 14, 2010, relating to Audiovox Corporation's earnings release for the quarter and year ended February 28, 2010 (furnished herewith).
99.2	Transcript of conference call held on May 17, 2010 at 10:00 am EST (furnished herewith).

SIGNATURES

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

AUDIOVOX CORPORATION (Registrant)

Date: May 18, 2010 BY:___________________________________
Charles M. Stoehr
Senior Vice President and
Chief Financial Officer

FOR IMMEDIATE RELEASE

Audiovox Corporation Reports Fiscal 2010 Fourth Quarter and Year-end Results

- Company reports earnings per share of $0.98 for FY10 compared to FY09 loss of $3.11.
- FY10 gross margins increased by 280 basis points with significant reduction in overhead.
- 4Q10 sales increased by 30% driven by new product introductions, programs and customers.

HAUPPAUGE, NY – May 14, 2010 — Audiovox Corporation (NASDAQ: VOXX), today announced results for its fiscal 2010 fourth quarter and year-ended February 28, 2010.

The Company reported net income of $22.5 million and earnings per share of $0.98 for the year-ended February 28, 2010 compared to a net loss of $71.0 million or a loss per share of $3.11 for the year-ended February 28, 2009. In fiscal 2010, the Company recorded a net tax benefit of $11.3 million, which favorably impacted net income. Excluding the impact of this net tax benefit, pre-tax income for the fiscal 2010 period was $11.2 million. Net income was also favorably impacted by the bargain purchase gain of $5.4 million related to the Company's acquisition of Schwaiger, which was completed during the fiscal 2010 fourth quarter. Additionally, in fiscal 2009, the Company recorded impairment charges of $53.0 million for goodwill, other intangible assets and deferred tax assets.

Pat Lavelle, President and CEO stated, "I am generally pleased with our performance and the steps we took in fiscal 2010 to weather some of the most difficult economic times this company, and the U.S. economy, has had to face. We took aggressive steps to realign our organization and improve our competitive position to drive profitability. Our margins were up despite lower sales, we made smart overhead reductions and we acquired businesses that greatly enhance our product portfolio and distribution. While there are still challenges ahead, I believe, Audiovox is positively positioned for growth and continued profits in fiscal 2011."

Net sales for fiscal 2010 were $550.7 million compared to net sales of $603.1 million in the comparable fiscal 2009 period, a decrease of 8.7%.

Accessories sales for fiscal 2010 were $175.7 million, an increase of 14.3% as compared to $153.7 million reported in the comparable fiscal year period. This increase is due primarily to the introduction of new products and customers, as well as additional sales generated from the Schwaiger acquisition in October 2009. Also driving this increase were higher sales of antennae products, particularly in the first half of fiscal 2010 driven by the changeover from analog to digital TV, as well as higher sales of other accessory products under the Terk, Acoustic Research and RCA brands. As a percentage of net sales, Accessories represented 31.9% and 25.5% of net sales for the years-ended February 28, 2010 and February 28, 2009, respectively.

Electronics sales were $375.0 million for fiscal 2010 compared to $449.4 million for the year-ended February 28, 2009, a decrease of 16.6%. This decline was anticipated based on global economic conditions and the Company adjusted its inventory positions and overhead accordingly. The Company experienced lower sales volumes for the year as compared to the prior year, due in large part to the dramatic reduction of car sales and also because it chose not to participate in marginally profitable seasonal promotions. Additionally, lower sales were directly related to the Company's decision in fiscal 2009, to exit various high-volume and low profit product categories including flat-panel TV's, portable navigation and GMRS. Offsetting the declines in the Electronics category were higher sa les of Sirius satellite radio products, new sales from acquisitions, and the introduction of FLO-TV products.

Gross margins for fiscal 2010 increased by 280 basis points to 19.4% from 16.6% in fiscal 2009, due to the introduction of new, higher margin products, a shift in mix and the impact of the Company's newest acquisitions, improvements in inventory provisions and the absence of inventory write-downs and excess inventory at the Company's customers, which impacted margins last year.

Operating expenses decreased $50.7 million to $103.0 million for the year-ended February 28, 2010 from $153.7 million for the comparable fiscal 2009 period. The decrease in total operating expenses was due to a number of factors, including the absence of goodwill and intangible asset charges of $38.8 million in fiscal 2009 as well as a one-time charge of approximately $1.0 million related to the Company's overhead reduction program and cost containment efforts. Excluding the impact of these charges, operating expenses declined approximately $11.0 million, which is directly attributed to ongoing expense reduction programs. Additionally, fiscal 2010 includes, approximately $1.2 million of expenses associated with the issuance of stock options and warrants and $4.4 million in operating expenses relat ed to our acquisitions of Schwaiger and Invision during the second half of fiscal 2010. Overall, and as a percentage of net sales, operating expenses decreased to 18.7% for fiscal 2010 from 25.5% in the comparable prior year period.

Lavelle continued, "We anticipated lower sales, given the state of the global economies and the impact that the slow holiday season last year had on our business through the first half of the year. However, we managed our costs and our inventory positions well to limit our exposure and reduce risk. New programs with SIRIUS XM, Sony and FLO TV, helped us get through weaker than expected automotive sales and end the year with strong momentum, especially with our acquisition of Invision as it grows our OE business and will allow us to introduce new products to the OE channels. Our consumer business also picked up as a result of new FLO TV products and a better holiday season in fiscal 2010 and we expect to build on that in fiscal 2011. I believe we have a strong product mix, great, well-kn own brands, high-quality partners and a worldwide distribution that is among the best in the industry. Our cash position and balance sheet are strong and we continue to pursue acquisitions that will strengthen our core business and allow us to leverage our overhead. I look forward to fiscal 2011 and to increasing value for our shareholders."

Fiscal Fourth Quarter Comparisons

The Company reported net income of $6.8 million and earnings per share of $0.29 for the three months ended February 28, 2010 compared to a net loss of $70.0 million and a loss per share of $3.06 for the comparable fiscal 2009 period. As noted in the fiscal year comparisons, in the fiscal 2009 fourth quarter, the Company recorded impairment charges of $53.0 million for goodwill, other intangible assets and deferred tax assets. Net income for the fiscal 2010 fourth quarter was also favorably impacted by the bargain purchase gain of $5.4 million related to the Company's acquisition of Schwaiger.

Net sales for the fiscal 2010 fourth quarter were $150.3 million compared to net sales of $115.7 million reported in the prior year period, an increase of 29.9%.

Accessories sales for the quarter ended February 28, 2010 were $43.1 million as compared to $43.6 million for the comparable fiscal 2009 period. This decline of 1.1% was due primarily to higher sales of digital antennae products in the fiscal 2009 quarter, offset by increases in the Company's international accessories business as a result of its Schwaiger acquisition. As a percentage of net sales, Accessories represented 28.6% for the fiscal 2010 fourth quarter as compared to 37.7% for the comparable period in fiscal 2009.

Electronics sales were $107.3 million for the fiscal 2010 fourth quarter compared to $72.1 million for the comparable fiscal 2009 period, an increase of 48.8%. The Company experienced sales increases in many of its core consumer offerings, including digital MP3 players, camcorders and clock radios as compared to the fiscal 2009 fourth quarter as well as new sales related to the launch of FLO TV PTV. In mobile, sales were up over the fiscal 2009 fourth quarter due primarily to increases in satellite radio, security and multi-media, and the addition of new sales from Invision, Omega and FLO TV. As a percentage of net sales, Electronics represented 71.4 % for the fiscal 2010 fourth quarter as compared to 62.3% for the comparable period in fiscal 2009.

Gross margins increased from 11.9% in the fiscal 2009 fourth quarter to 20.0% in the fiscal 2010 period ended February 28, 2010. The increase in the comparative periods was also due to higher margin products sold by the Company as well as the addition of new, higher margin products as a result of recent acquisitions. Gross margins in the fiscal 2009 quarter were impacted by $2.4 million in provisions associated with customer bankruptcies, increased defective and warranty charges and an additional charge as a result of the slow holiday sales season.

The Company reported operating expenses of $30.4 million for the fiscal 2010 fourth quarter compared to $66.9 million reported in the comparable fiscal year period. Expenses for the fiscal 2009 period included $38.8 million in goodwill and impairment charges and $2.2 million in legal fees and allowances for bankruptcies. Additionally, expenses in the fiscal 2010 period included new costs associated with the Schwaiger and Invision acquisitions. Excluding the impact of the one-time charges incurred in fiscal 2009 and acquisition expenses, core overhead was relatively flat with the prior period on approximately 30% higher sales volumes. As a percentage of net sales, operating expenses were 20.2% for the three months ended February 28, 2010 from 57.8% in the comparable prior year period.

Conference Call Information
The Company will be hosting its conference call on Monday, May 17 at 10:00 a.m. EDT. Interested parties can participate by visiting www.audiovox.com, and clicking on the webcast in the Investor Relations section or via teleconference (toll-free number: 866-831-6268; international number: 617-213-8857; pass code: 81245360). For those who will be unable to participate, a replay 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; pass code: 43319203).

About Audiovox
Audiovox (NASDAQ:VOXX) is a recognized leader in the marketing of automotive entertainment, vehicle security and remote start systems, consumer electronics products and consumer electronics accessories. The company is number one in mobile video and places in the top ten of almost every category that it sells. Among the lines marketed by Audiovox are its mobile electronics products including mobile video systems, auto sound systems including satellite radio, vehicle security and remote start systems; consumer electronics products such as MP3 players, digital camcorders, DVRs, Internet radios, clock radios, portable DVD players, multimedia products like digital picture frames and home and portable stereos; consumer electronics accessories such as indoor/outdoor antennas, connectivity products, headphones, speakers, wireless solutions, re mote controls, power & surge protectors and media cleaning & storage devices; Energizer®-branded products for rechargeable batteries and battery packs for camcorders, cordless phones, digital cameras and DVD players, as well as for power supply systems, automatic voltage regulators and surge protectors. The company markets its products through an extensive distribution network that includes power retailers, 12-volt specialists, mass merchandisers and an OE sales group. The company markets products under the Audiovox, Advent, RCA, Jensen, Acoustic Research, Energizer, Excalibur, Code Alarm, Invision, Omega, Prestige, Schwaiger, SURFACE and Terk brands. For additional information, visit our Web site at www.audiovox.com.

Safe Harbor Statement

Except for historical information contained herein, statements made in this release that would constitute forward-looking statements may involve certain risks and uncertainties. All forward-looking statements made in this release are based on currently available information and the Company assumes no responsibility to update any such forward-looking 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 as well as the wireless business; our relationships with key suppliers an d 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 for the fiscal year ended February 28, 2010 and in its most recent quarterly filing with the Securities and Exchange Commission (SEC).

Company Contact:

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- Tables Attached -

Audiovox Corporation and Subsidiaries
Consolidated Balance Sheets
February 28, 2010 and 2009
(In thousands, except share data)

	February 28, 2010	February 28, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 69,511	$ 69,504
Accounts receivable, net	131,266	104,896
Inventory	102,717	125,301
Receivables from vendors	11,170	12,195
Prepaid expenses and other current assets	16,311	17,973
Income tax receivable	1,304	
Deferred income taxes	47	354
Total current assets	332,326	330,223
Investment securities	15,892	7,744
Equity investments	11,272	13,118
Property, plant and equipment, net	22,145	19,903
Goodwill	7,389	-
Intangible assets	97,226	88,524
Deferred income taxes	515	221
Other assets	2,213	1,563
Total assets	$ 488,978	$ 461,296

Audiovox Corporation and Subsidiaries
Consolidated Balance Sheets
February 28, 2010 and 2009
(In thousands, except share data)

Liabilities and Stockholders' Equity

Current liabilities:				
Accounts payable	$	36,126	$	41,796
Accrued expenses and other current liabilities		35,790		32,575
Income taxes payable		-		2,665
Accrued sales incentives		10,606		7,917
Deferred income taxes		1,931		1,459
Bank obligations		1,703		1,467
Current portion of long-term debt		6,383		1,264
Total current liabilities		92,539		89,143
Long-term debt		6,613		5,896
Capital lease obligation		5,490		5,531
Deferred compensation		3,158		2,559
Other tax liabilities		1,219		2,572
Deferred tax liabilities		8,502		4,657
Other long term liabilities (see Note 2)		7,194		10,436
Total liabilities		124,715		120,794
Commitments and contingencies				
Stockholders' equity:				
Series preferred stock, $.01 par value; 1,500,000 shares authorized, no shares issued or outstanding		-		-
Common stock:				
Class A, $.01 par value; 60,000,000 shares authorized, 22,441,712 and 22,424,212 shares issued, 20,622,905 and 20,604,460 shares outstanding at February 28, 2010 and February 28 2009, respectively		225		224
Class B convertible, $.01 par value; 10,000,000 shares authorized, 2,260,954 shares issued and outstanding		22		22
Paid-in capital		275,684		274,464
Retained earnings		113,996		91,513
Accumulated other comprehensive (loss) income		(7,278)		(7,325)
Treasury stock, at cost, 1,818,807 and 1,819,752 shares of Class A common stock at February 28, 2010 and February 28, 2009, respectively		(18,386)		(18,396)
Total stockholders' equity		364,263		340,502
Total liabilities and stockholders' equity	$	488,978	$	461,296

Audiovox Corporation and Subsidiaries
Consolidated Statements of Operations
Years and Quarters Ended February 28, 2010 February 28, 2009
(In thousands, except share and per share data)

	Three Months Ended February 28, 2010	Three Months Ended February 28, 2009	Year Ended February 28, 2010	Year Ended February 28, 2009
Net sales	$ 150,341	$ 115,666	$ 550,695	$ 603,099
Cost of sales	120,339	101,931	443,944	502,831
Gross profit	30,002	13,735	106,751	100,268
Operating expenses:				
Selling	8,959	6,907	30,147	33,505
General and administrative	18,508	18,866	63,063	70,870
Goodwill and intangible asset impairment	-	38,814	-	38,814
Engineering and technical support	2,962	2,303	9,781	10,522
Total operating expenses	30,429	66,890	102,991	153,711
Operating income (loss)	(427)	(53,155)	3,760	(53,443)
Other income (expense):				
Interest and bank charges	(458)	(379)	(1,556)	(1,817)
Equity in income of equity investee	456	50	1,657	975
Gain on bargain purchase	5,418	-	5,418	-
Other, net	571	(2,044)	1,876	(1,669)
Total other income (expenses), net	5,987	(2,373)	7,395	(2,511)
Income (loss) from continuing operations before income taxes	5,560	(55,528)	11,155	(55,954)
Income tax benefit (expense)	1,030	(14,493)	11,328	(15,075)
Net income (loss) from continuing operations	6,590	(70,021)	22,483	(71,029)
Net income from discontinued operations, net of tax	-	-	-	-
Net income (loss)	$ 6,590	$ (70,021)	$ 22,483	$ (71,029)
Net income (loss) per common share (basic):				
From continuing operations	$ 0.29	$ (3.06)	$ 0.98	$ (3.11)
From discontinued operations	-	-	-	-
Net income (loss) per common share (basic)	$ 0.29	$ (3.06)	$ 0.98	$ (3.11)
Net income (loss) per common share (diluted):				
From continuing operations	$ 0.29	$ (3.06)	$ 0.98	$ (3.11)
From discontinued operations	-	-	-	-
Net income (loss) per common share (diluted)	$ 0.29	$ (3.06)	$ 0.98	$ (3.11)
Weighted-average common shares outstanding (basic)	22,883,859	22,865,405	22,875,651	22,860,402
Weighted-average common shares outstanding (diluted)	22,943,433	22,865,405	22,919,665	22,860,402

Conference Call Transcript
VOXX - Q4 2010 Audiovox Corporation Earnings Conference Call
Event Date/Time: May 17, 2010 / 02:00PM GMT

CORPORATE PARTICIPANTS

Glenn Wiener
GW Communications - IR

Patrick Lavelle
Audiovox Corporation - President & CEO

Michael Stoehr
Audiovox Corporation - SVP & CFO

CONFERENCE CALL PARTICIPANTS

Thomas Kahn
Kahn Brothers - Analyst

Gary North
GS North Company - Analyst

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Audiovox fiscal year 2010 conference call. My name is Noelia and I will be your coordinator for today. At this time all participants are in a listen-only mode. We will be facilitating a question-and-answer session towards the end of this conference. (Operator Instructions)

I would now like to turn the presentation over to your host for today's call, Mr. Glenn Wiener. Please proceed, sir.

Glenn Wiener - *GW Communications* - *IR*

Welcome to Audiovox's fiscal 2010 fourth-quarter and year-end results conference call. As you know, today's call is being webcast on our site www.Audiovox.com and can be accessed in the Investor Relations section. With us today are Patrick Lavelle, President and CEO; Michael Stoehr, Senior Vice President and CFO; and John Shalam, Chairman of the Board.

Before we begin, I would quickly like to remind everyone that except for historical information contained herein, statements made on today's call and webcast that would constitute forward-looking statements may involve certain risks and uncertainties. All forward-looking statements made are based on currently available information, and the Company assumes no responsibility to update any such forward-looking statements. Risk factors associated with our business are detailed in the Company's Form 10-K for the fiscal year ended February 28, 2010.

At this time, I would like to turn the call over to Pat Lavelle. Pat?

Patrick Lavelle - *Audiovox Corporation* - *President & CEO*

Thanks, Glenn, and good morning, everyone. We released for our fourth quarter and fiscal year on Friday after the market closed, reporting net income of $22.5 million or earnings per share of $0.98, compared to a net loss of $71 million or $3.11 per share last fiscal year.

This rather dramatic swing to the positive side is a result of several factors. We improved gross margins despite lower sales. We made smart overhead reductions that have made us leaner but at the same time have not affected services we provide our customers. We have made some very strategic acquisitions, which have helped our core business as we get through these difficult economic times.

We continually realign operations to drive synergies throughout the Company, which contributed to our profitability. And we have a positive tax adjustment which Mike will address when he speaks to you in a few minutes.

For the year, sales were 8.7% lower than fiscal 2009. Despite lower volume, we reported an almost 300 basis point improvement in our gross margins. And excluding the 2009 fiscal year charges for impact of goodwill and intangible asset impairment, our core overhead was down more than $11 million, and this includes the additional expenses from the Schwaiger and Invision operations.

Fourth-quarter sales were up almost 30% over last year, led by sales from acquisitions, increased satellite radio sales, improvements in the OEM automotive sector, and in the launch of new FLO TV programs in both automotive and consumer. Margins came in at over 20% for the quarter, the highest level they have been in several years. But I fully expect them to settle in the 18% to 19% range based on the projected product mix for this year, which includes increased fulfillment sales that traditionally carry lower gross margins.

As I look back at the year, I believe we took the necessary steps to weather some of the most difficult economic issues that this company or for that matter the US economy has had to face. Our retail partners have been hit hard by lower consumer spending and inventory overhang. New products that were planned to introduce were delayed as we waited for retailers to clear stocks.

The automotive industry was dealing with major bankruptcies and significantly lower car sales. Dealerships were closing across the country. All of these factors hurt our sales. We had to react quickly and aggressively to realign our business to return the Company to profitability, and I am pleased with what we were able to accomplish.

Our cost-cutting initiatives which began in fiscal '09 continued throughout the year, and we lowered our core overhead even while adding acquisition expenses. We expect that as business improves, some of the cuts that were temporary will come back this year. But overall, most cuts were permanent and as a result, we are operating lean and positioned for profitability.

We kept new product development programs at prerecession levels to ensure we would continue to maintain our reputation for state-of-the-art technology and cutting-edge higher-margin products. In our consumer group, our consumer electronics sales posted better fourth-quarter results than in fiscal 2009, and we are hopeful that this trend will continue.

In accessories, our number one antenna market share helped us capitalize on the transition from analog to digital TV, with strong RCA and Terk antenna sales. Additionally, we have launched a number of new high-end remote controls and wireless accessory products which helped fuel accessory sales growth by over 14%.

On the mobile side, we have countered depressed car sales by delivering exciting products like FLO TV and our Sony PlayStation rear seat entertainment system. Also in mobile, we have made strategic moves to strengthen our core business by taking over exclusive distribution for Omega security products, adding Sirius satellite radio products to our mix, and acquiring Invision this past February.

The Invision acquisition is significant because we believe the OE sector has great upside potential for our company. We already count the OEs as customers through programs with our security, remote start, and video products.

With the addition of Invision, we not only pick up additional sales and broaden our engineering capability, but we also will be able to use this acquisition to expedite new OE programs like FLO TV. We expect fiscal 2011 OE sales to exceed $100 million, and we are now supplying customers such as GM, Ford, Chrysler, Nissan, Toyota, Hyundai, Kia, Subaru, Mazda, Porsche and BMW, and expect to add a few more during the year.

We have been able to expand our engineering capability to meet the exacting development requirements of the OEs. We have added key project management and we have the financial resources to provide the level of support required for OE programs. With this acquisition, we also believe we now have the broadest IT portfolio in the rear seat entertainment space.

As we look to fiscal 2011, there is no question that the economy will continue to play a role in sales and profit levels. With that said, I believe we are positioned for top-line growth and continued profits. The addition of Invision, Schwaiger and Omega strengthens our product lines and broadens our distribution further.

We have great retail accounts, the best staff to market automotive distribution in the industry, an increased focus on OEs, and A-plus partners in QUALCOMM, Sony, Barnes & Noble and Sirius XM, to name a few.

The US economy appears to be stabilizing, but discretionary spending and an end to unemployment are still concerns. Some retailers are reporting better numbers, but no one is predicting robust growth. So we remain vigilant in our buying programs and will not take on any undue exposure in our inventory positions. This strategy paid off in 4Q, and I believe will aid us as we emerge from this recession.

The automotive industry is improving year-over-year, but has not yet stabilized. April sales were up 20% over last year, but down 9% off a more robust March. Companies such as Ford, GM, Chrysler and Toyota all reported strong months, and the industry is now predicting over 11 million cars this year, which is up over 0.5 million cars since I spoke with you last quarter. If the industry hits projections, we can expect our core automotive business to increase over last year.

I expect our mobile business to be positively impacted by higher sales of FLO TV as they grow in concert with increased consumer awareness to the service. We are currently supplying FLO TV systems for the car, as well as distributing the FLO personal TV at retail. And in the coming months, we intend to launch other FLO-enabled and FLO-ready products.

As I just mentioned, we expect growth in our OE business as a result of new contracts recently awarded, strong remote start sales, and rear seat entertainment sales.

In our consumer electronics group, we will deliver our first e-reader, complete with Barnes & Noble content. And while this is becoming a crowded marketplace, it is also explosive, and we believe our various brands will help us secure market position as one of the top suppliers in the category.

In accessories we have just launched voice-activated remotes under the RCA brand, and will follow with July delivery of the one-for-all Smart Remote line. Our Zentral products that expand the use of your BlackBerry and iPhones control other functions in your home is scheduled for the summer.

We have major promotions scheduled for wireless products this summer on QVC and in-store at Lowe's and Meijer. And as the primary accessory supplier to HH Gregg, we are enjoying good growth as they continue to expand their market share.

International sales improved this past year, driven by Schwaiger. And although we have projected overall growth in our international operations, we are concerned with the sovereign debt issue in Europe and the volatility it has created, as well as the uncertainty in the Venezuelan market. We have factored most of these issues into projections, and we will be looking at these operations closely and making the necessary adjustments to respond to the changing economic landscape.

In closing, fiscal 2010 was a challenge, but it ended with improving results. Our cash position is strong even after recent acquisitions. Currently, our cash position is $89 million, and we will continue to seek acquisitions that will strengthen our core business and allow us to leverage existing overhead. We operate this business with its long-term success as our primary objective, and we will continue to focus our attention on increasing shareholder value while we continue to grow Audiovox.

Michael will cover our financial results in detail now, and then we will open it up for questions.

Michael Stoehr - *Audiovox Corporation - SVP & CFO*

Thanks, Pat. Good morning, everyone. Let's start with our annual performance. We reported $550.7 million in sales, a decrease of 8.7% compared to $603 million last fiscal year. Accessory sales were $175.7 million, an increase of 14.3%, and electronics sales were $375 million, off 16.6%.

Within accessories, we had several new products come to market under RCA, Terk and Acoustic Research, and new customers which helped the overall business. Additionally, during the first half of the year and first quarter in particular, we benefited from higher sales of antenna products related to the transition from analog to digital TV. Additional sales from our recent acquisition of Schwaiger were $13.4 million for the fiscal year.

The decline in our electronics group as we have previously discussed was anticipated due to the difficulties of the automakers and lower car sales, as well as the inventory overhang at retail which impacted our first and second-quarter performance. Retail volume was very slow during these periods, and we adjusted our buying programs and inventory accordingly.

We also chose not to participate in a number of seasonal promotions due to lower margins in portable DVD and select digital product lines, programs we did participate in during the prior fiscal year.

Lastly, we closed out several product lines in fiscal 2009, which were not included in this past year's results, such as flat-panel TVs, portable navigation and GRMS radios. Lower cost sales in the first half also hurt our electronics group, though we were able to offset some of these declines with higher sales of satellite radio products and the introduction of FLO TV, and one month of sales from our recent acquisition of Invision of approximately $4 million.

Consolidated gross margin for the year increased 280 basis points to 19.4% versus 16.6% in fiscal 2009. This increase from fiscal 2010 was due to newer, higher products being introduced, improvements in our inventory positions. Additionally, launches were aided by our acquisition of Schwaiger.

Finally, we were able to obtain better freight costs this year. Margins came in slightly above our projections at the beginning of the year, primarily due to product mix as accessories represented a larger percentage of our overall sales.

Overhead for fiscal 2010 declined by $50.8 million. Fiscal 2009 operating expenses included $38.8 million of goodwill and intangible asset charges, as well as a $1 million one-time charge related to overhead reduction programs and cost-containment efforts, and a charge of $2.6 million for an IT systems breach. Excluding the impact of these charges, our overhead fiscal 2010 was down from the comparable fiscal years.

Also note that fiscal 2010 overhead included approximately $6.8 million in incremental costs associated with the issuance of stock options and warrants, and operating expenses for our acquisition of Schwaiger and Invision.

Our employee headcount was reduced by 18% prior to acquisitions, and we realized additional savings in advertising, occupancy costs, employee benefits, professional fees, and T&E.

As Pat mentioned in the prior call, some of the temporary expense reductions would come back and in the fourth quarter of fiscal 2010, we return the 10% salary reduction to employees below VP in executive management. This took place in the fourth quarter, and the amount was $2.5 million. We continue to evaluate our cost structure and adjust where needed to drive profits to the bottom line.

Other income increased approximately $9.9 million as a result of a $5.4 million bargain purchase gain due to our Schwaiger acquisition, and the absence of charges associated with a vendor bankruptcy in prior fiscal year, and a gain recorded on our foreign exchange contracts used for our US dollar purchases in Germany. This was partially offset by the other than temporary impairment on an equity investment of the Company.

Interest and bank charges decreased due to the reduction of debt in our international subsidiaries, and equity income of our equity investees increased due to higher equity income of ASA.

Pretax income was $11.2 million compared to a pretax loss of $56 million for the prior fiscal year. During fiscal 2010, we recorded income tax benefits of approximately $11.3 million. These benefits were the results of The Worker, Homeownership, and Business Assistance Act of 2009, which allowed us to record an income tax benefit of $10.1 million in connection with the carryback of certain net operating losses, and recognition of $3.2 million of uncertain tax positions as the result of the expiration of various statutes of limitations, offset by a $2 million payment in foreign and state taxes.

We posted net income of $22.5 million or earnings per share of $0.98, versus a net loss of $71 million or a loss of $3.11 a share in fiscal 2009.

For the fourth quarter our sales were $150.3 million versus $115.7 million, an increase of 29.9%. Included in the quarter sales, were sales of $11.5 million related to our recent Schwaiger and Invision acquisitions. The increase in revenue was principally in the electronics group.

Gross margins were 20% versus 12% in last year's fourth quarter. This is a result of increased international sales as a result of the Schwaiger acquisition, lower inventory write-offs and write-downs, better freight costs and better margins in our mobile electronics group. Offsetting this increase were pre-production charges for a contract that we had with Porsche Motors. On a go-forward basis, we anticipate margins will come back to the 18% to 19% range for the reasons that Pat outlined earlier.

Overhead was $30.4 million, which includes $2.5 million temporary payroll reduction return versus $66.9 million in last year's quarter, which included the $38.8 million impairment charge, a $1 million reduction expense, and a $2.6 million provision for a systems breach. Operating expenses for the fourth-quarter of fiscal 2010 related to Schwaiger and Invision acquisitions were $2.9 million.

Net income was $6.6 million, which includes a $5.4 million gain for buying purchase, and impairment charges of $1 million on one of our investments. For fiscal 2010 fourth quarter, EPS was $0.29 a share versus $3.06 loss last year.

Operating activities provide cash of $28.2 million, financing activities used cash of $1.2 million primarily to repay bank obligations, offset by $25 million in investing activities due to cash payments related to the purchase of Schwaiger and Invision, CapEx expenditures, and an investment in bonds for our Venezuelan operation previously explained, partially offset by distributions from an equity investee.

We had working capital of $239.8 million, which includes cash and short-term investments of $69.5 million compared to working capital of $241.1 million and cash and short-term investments of $69.5 million last fiscal year. Our cash position is $65.5 million despite cash payments of $14.6 million related to our recent acquisitions.

Principal use of cash has increased accounts receivable as the increased sales of the fourth quarter, offset by declines in inventory and vendor receivables. Our turns on both AR and inventory are good.

We continue to be prudent in our buying programs and are watching our expenses and markets closely. Cash today as Pat mentioned is $89 million after we have paid down a bank loan that we had gotten from the Invision acquisition for $5 million.

In March, the Company entered into a three-year $15 million line of credit. This line is principally used for purchases of product under letters of credit or standby LCs. Our inventory positions are much better this time last year. We are still cautious, and the global economy will be a key factor in extent of our growth and profit.

I will turn the call back to Pat.

Patrick Lavelle - ***Audiovox Corporation - President & CEO***

Okay. Thank you, Mike, and we are ready for any questions that you may have.

QUESTION AND ANSWER

Operator

(Operator Instructions). Thomas Kahn, Kahn Brothers.

Thomas Kahn - ***Kahn Brothers - Analyst***

Pat, I had a question on the systems breach. Could you explain that to me, and also could you explain the -- is FLO TV going to be used in the back of cars, in the screens in the back of cars?

Patrick Lavelle - *Audiovox Corporation - President & CEO*

Okay. First one is the systems breach. That had to do with our batteries.com subsidiary. When we were changing over the system moving to a new system, we had a breach there. We have subsequently changed the system out completely, and we have become compliant for all the credit card companies, so we have put that past us.

Thomas Kahn - *Kahn Brothers - Analyst*

Good.

Patrick Lavelle - *Audiovox Corporation - President & CEO*

In the case of FLO TV, yes, it is designed for rear seat entertainment. We do have modules that will hook up with any factory or any aftermarket system so that you can get that live TV in the rear seat.

Thomas Kahn - *Kahn Brothers - Analyst*

One follow-up if I could, Pat. On FLO TV, what does your license cover? I know it covers certain things but maybe excludes if there is a telephone in the device. Could you tell us what it covers and what it's exclusive or nonexclusive to, please?

Patrick Lavelle - *Audiovox Corporation - President & CEO*

Well, our exclusivity covers us for the 12-volt product that we supply to the aftermarket and what we are supplying to the OEMs at this point. This is a module that will receive the FLO information and up-convert it to a larger screen, up to about a 10-inch screen, which is about as big as you're going to see in the rear seat of a car. So that device is what we have our exclusivity on.

We also have an arrangement with QUALCOMM under a fulfillment contact where we will supply to retail the handheld portable FLO TV device, and that is a distribution agreement that we have with them.

Thomas Kahn - *Kahn Brothers - Analyst*

And that has the QUALCOMM name on it, or the Audiovox?

Patrick Lavelle - *Audiovox Corporation - President & CEO*

It has the FLO TV name on it.

Thomas Kahn - *Kahn Brothers - Analyst*

Oh, the FLO TV name on it.

Patrick Lavelle - *Audiovox Corporation - President & CEO*

Yes.

Thomas Kahn - *Kahn Brothers - Analyst*

I see. Thank you.

Operator

(Operator Instructions) Gary North, GS North Company.

Gary North - *GS North Company - Analyst*

Yes, I was just wondering how you are progressing on the Wi-Fi charges you are planning to introduce later this year?

Patrick Lavelle - *Audiovox Corporation - President & CEO*

Okay. We showed (technical difficulty) our power device. We showed it at the Consumer Electronics show and the CTIA show, primarily to get feedback from the customers as to whether or not we were on the right track. We are in product development at this particular point. We expect that later in the year that we will be introducing the device, and we will have a special press release at that time to review all the features and our business plan around that.

Reuters and its affiliated companies.

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

And then one other question. Do you have any plans to combine like an e-reader with the FLO TV device?

Patrick Lavelle - *Audiovox Corporation* - *President & CEO*

No, not with an e-reader, but we will be introducing later in the year a portable DVD player with FLO built in.

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

Okay, thanks a lot.

Operator

(Operator Instructions). There are no questions in the queue at this moment.

Patrick Lavelle - *Audiovox Corporation* - *President & CEO*

If there are no more questions, I want to thank you for your interest in Audiovox and I want to thank you for being on the call today, and have a good week. Thank you.

Operator

Thank you for your participation in today's conference. This concludes your presentation and you may now disconnect. Have a great day.