# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

# FORM 8-K

## **CURRENT REPORT**

# PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): February 23, 2012

# UNIVERSAL ELECTRONICS INC.

(Exact name of Registrant as specified in its charter)

**Delaware** (State or other jurisdiction of incorporation or organization) 0-21044 (Commission File No.) 33-0204817 (I.R.S. Employer Identification No.)

6101 Gateway Drive Cypress, California 90630 (Address of principal executive offices, with Zip Code)

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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 the following provisions:
☐ Written communications pursuant to Rule 425 under the Securities Act
□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act
□ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

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### Item 2.02 Results of Operations and Financial Condition

On February 23, 2012, Universal Electronics Inc. ("UEI") is issuing a press release and holding a conference call regarding its financial results for the fourth quarter and for the full year ended December 31, 2011. A copy of the press release is furnished as Exhibit 99.1 to this report.

Pursuant to General Instruction B2 of Form 8-K, the information contained in Exhibit 99.1 will be deemed furnished, and not "filed," for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as expressly set forth by specific reference in any such filing, or subject to the liabilities of that Section or Sections 11 and 12(a) (2) of the Securities Act of 1933, as amended.

### Use of Adjusted Pro Forma Financial Information

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, UEI provides non-GAAP or Adjusted Pro Forma information in the press release as additional information for its operating results. References to Adjusted Pro Forma information are to non-GAAP pro forma measures. These measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures used by other companies. UEI's management believes that this presentation of Adjusted Pro Forma financial information provides useful information to management and investors regarding certain additional financial and business trends relating to its financial condition and results of operations. In addition, management uses these measures for reviewing the financial results of UEI and for budget planning purposes.

### **Item 9.01 Financial Statements and Exhibits**

- (d) Exhibits. The following exhibit is furnished with this report.
  - 99.1 Press Release of Universal Electronics Inc. dated February 23, 2012.

### **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.

Universal Electronics Inc.

Date: February 23, 2012

By: /s/ Bryan Hackworth

Bryan Hackworth Chief Financial Officer (Principal Financial Officer) INDEX TO EXHIBITS

Exhibit Number Description

99.1 Press Release dated February 23, 2012



Contacts: Paul Arling (UEI) 714.820.1000 Becky Herrick (IR Agency) 415.433.3777

# UNIVERSAL ELECTRONICS REPORTS FOURTH QUARTER AND YEAR-END 2011 FINANCIAL RESULTS

- Reports 2011 Net Sales of \$468.6 Million, Up 41% over 2010 -

CYPRESS, CA – February 23, 2012 – Universal Electronics Inc. (UEI), (NASDAQ: UEIC) reported financial results for the three and twelve months ended December 31, 2011.

Paul Arling, UEI's Chairman and CEO, stated: "Our fourth quarter 2011 net sales were within our expectations and demonstrated strong growth of 15% over last year, and earnings were at the high end of our expectations, at \$0.40 per share. In 2011, we maintained focus on improving our operational footing by introducing new innovative products and technologies, gaining market share and expanding geographically."

"At the 2012 Consumer Electronics Show (CES), we showcased several innovative yet simple-to-use products and technologies that address new growth areas in our industry such as IP-based set-top boxes, "smart" televisions, smartphones, tablets and Over-the-Top services. These innovations continue to demonstrate UEI's leadership in providing consumers with both the "lean forward" control experience and the familiar "lean back" experience with a remote control. As the face of remote control technology expands to include new platforms, UEI will continue to be at the forefront of developing hardware and software technologies that bring new functionality, enhanced applications and automated setup to the user's control experience," concluded Arling.

### Financial Results for the Three Months Ended December 31: 2011 Compared to 2010

- Net sales were \$117.6 million, compared to net sales of \$102.5 million.
  - Business Category revenue was \$103.7 million, compared to \$89.1 million. The Business Category contributed 88.2% of total net sales, compared to 86.9%.
  - Consumer Category revenue was \$13.9 million, compared to \$13.4 million. The Consumer Category contributed 11.8% of total net sales, compared to 13.1%
- Adjusted pro forma gross margins were 28.6%, compared to gross margins of 29.7%.
- · Adjusted pro forma operating expenses were \$26.2 million, compared to operating expenses of \$22.4 million.
- · Adjusted pro forma operating income was \$7.4 million, compared to operating income of \$8.0 million.
- Adjusted pro forma net income was \$5.9 million, or \$0.40 per diluted share, compared to net income of \$6.6 million, or \$0.45 per diluted share.
- At December 31, 2011, cash and cash equivalents was \$29.4 million.

### Financial Results for the Twelve Months Ended December 31: 2011 Compared to 2010

- Net sales were \$468.6 million, compared to net sales of \$331.8 million.
- Adjusted pro forma gross margins were 28.0%, compared to gross margins of 31.8%.

- Adjusted pro forma operating expenses were \$100.2 million, compared to operating expenses of \$81.0 million.
- Adjusted pro forma operating income was \$31.0 million, compared to operating income of \$24.6 million.
- Adjusted pro forma net income was \$23.6 million, or \$1.55 per diluted share, compared to net income of \$17.9 million, or \$1.27 per diluted share.

### **Financial Outlook**

For the first quarter of 2012, the company expects net sales to range between \$104 million and \$110 million, compared to \$105.7 million in the first quarter of 2011. Adjusted pro forma earnings per diluted share for the first quarter of 2012 are expected to range from \$0.19 to \$0.25, compared to adjusted pro forma earnings per diluted share of \$0.17 in the first quarter of 2011.

For the full 2012 year, the company expects net sales to range between \$500 million and \$520 million, compared to \$468.6 million in 2011. Adjusted pro forma earnings per diluted share for 2012 are expected to range from \$1.65 to \$1.85, compared to adjusted pro forma earnings per diluted share of \$1.55 in 2011.

### **Conference Call Information**

UEI's management team will hold a conference call today, Thursday, February 23, 2012 at 4:30 p.m. ET / 1:30 p.m. PT, to discuss its fourth quarter and year-end 2011 earnings results, review recent activity and answer questions. To access the call in the U.S. please dial 877-655-6895 and for international calls dial 706-758-0299 approximately 10 minutes prior to the start of the conference. The conference ID is 49555937. The conference call will also be broadcast live over the Internet and available for replay for one year at www.uei.com. In addition, a replay of the call will be available via telephone for two business days, beginning two hours after the call. To listen to the replay, in the U.S., please dial 855-859-2056 and internationally, 404-537-3406. Enter access code 49555937.

### **Use of Non-GAAP Financial Metrics**

Non-GAAP gross margins, Non-GAAP operating expenses, and Non-GAAP net income and earnings per share are supplemental measures of the company's performance that are not required by, and are not presented in accordance with GAAP. The non-GAAP information does not substitute for any performance measure derived in accordance with GAAP. Non-GAAP gross profit is defined as gross profit excluding charges related to the write-up of inventory and depreciation related to the acquisition. Non-GAAP operating expenses is defined as cash operating expenses excluding acquisition costs, amortization of intangibles and other employee related restructuring costs. Non-GAAP net income is net income from operations excluding the aforementioned items. A reconciliation of Non-GAAP financial results to GAAP results is included at the end of this press release.

### **About Universal Electronics Inc.**

Founded in 1986, Universal Electronics Inc. (UEI) is the global leader in wireless control technology for the connected home. UEI designs, develops, and delivers innovative solutions that enable consumers to control entertainment devices, digital media, and home systems. The company's broad portfolio of patented technologies and database of infrared control software have been adopted by many Fortune 500 companies in the consumer electronics, subscription broadcast, and computing industries. UEI sells and licenses wireless control products through distributors and retailers under the One For All® brand name. For additional information, please visit our website at <a href="https://www.uei.com">www.uei.com</a>.

### **Safe Harbor Statement**

This press release contains forward-looking statements that are made pursuant to the Safe-Harbor provisions of the Private Securities Litigation Reform Act of 1995. Words and expressions reflecting something other than historical fact are intended to identify forward-looking statements. These forward-looking statements involve a number of risks and uncertainties, including the benefits anticipated by the Company due to continued innovation of products and technologies; the Company's ability to gain market share; general economic conditions; the consumer electronics and broader retail industries to be weaker than anticipated by management; and other factors described in the Company's filings with the U.S. Securities and Exchange Commission. The actual results that the Company achieves may differ materially from any forward looking statement due to such risks and uncertainties. The Company undertakes no obligations to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

- Tables Follow -

# UNIVERSAL ELECTRONICS INC. CONSOLIDATED BALANCE SHEETS

(In thousands, except share-related data)

ASSETS         Current assets           Cash and cash equivalents         \$ 29,372         \$ 54,249           Accounts receivable, net         90,004         65,004           Prepaid expenses and other current assets         90,004         6,508           Deferred income taxes         6,558         5,508           Total current assets         212,003         214,433           Property, plant, and equipment, net         30,202         30,877           Intangible assets, net         32,814         35,994           Other assets         30,302         7,806           Offer assets         30,302         7,806           Total assets         30,902         7,806           Total assets         30,902         7,806           Total assets         30,902         7,806           Total current labilities         3,906         7,902           LIABLITIES AND STOCKHOLDERS' EQUITY         2,000         —           Current labilities         2,000         —           Accound income taxes         5,504         5,504           Davison payable         1,404         5,504           Accrued compensation         2,904         30,634           Deferred income taxes         1,50 <t< th=""><th></th><th>December 31, 2011</th><th>December 31, 2010</th></t<>		December 31, 2011	December 31, 2010
Cach and cash equivalents         \$ 2,372         \$ 5,428           Accounts receivable, net         80,64         80,64           Prepaid expenses and other current assets         30,45         2,528           Deferred income taxes         212,063         2,144,53           Total current assets         212,063         214,433           Roperty plant, and equipment, net         30,820         30,870           Goodwill         30,820         30,870           Intensible assets, net         32,814         33,981           Other assets         5,992         7,806           Total assets         5,992         7,806           Total assets         5,992         7,806           Total assets         5,543         \$ 5,606           Total assets         2,000         -           Macrost payable         2,000         -           Account labilities         5,544         7,942           Accrued classe discounts, rebates and royalties         5,54         7,942           Accrued classe discounts, rebates and royalties         1,54         7,942           Accrued compensation         20,20         1,54           Deferred income taxes         15,00         1,54           Other accrued e	ASSETS		
Accounts receivable, net         68,04           Inventories, net         90,904         65,402           Prepaid expenses and other current assets         3,045         2,582           Deferred income taxes         212,053         214,433           Property, plant, and equipment, net         80,404         30,802           Goodwill         30,820         30,872           Intangible assets, net         30,812         35,904           Other assets         5,303         5,646           Deferred income taxes         7,992         7,806           Total assets         7,992         7,806           Total assets         5,304         \$ 30,210           Total assets         2,909         7,806           Total assets         5,907         7,806           Total assets         2,909         7,806           Total assets         2,900         -           Corrective Credit         2,000         -           Draw on line of credit         2,000         -           Draw on line of credit         2,000         -           Accrued income taxes         5,07         5,67           Other accrued expenses         13,06         15,78           Total current			
Inventories, net         90,04         65,402           Prepaid expenses and other current assets         3,045         2,526           Deferred income taxes         6,536         3,045           Total current assets         21,036         21,433           Topopry, Incand equipment, net         80,449         78,097           Goodwill         30,807         13,814         35,994           Intangible assets, net         5,303         5,464         35,904         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,706         5,707         5,803         5,706         5,707         5,803         5,706         5,707         5,803         5,706         5,707         5,803         5,806         5,707         5,803         5,806         5,906         5,707         5,803         5,906         5,707         5,803         5,806         5,906         5,707         5,803         5,806         5,907         5,803         5,906         5,907         5,803         5,906         5,907         5,803         5,906         5,707         5,803<	Cash and cash equivalents	\$ 29,372	
Peppali expenses and other current assets         3,045         2,526           Deferred income taxes         6,556         3,656           Total current assets         212,036         321,438           Property, plant, and equipment, net         30,820         30,879           Goodwill         30,820         30,879           Italian sests, net         5,355         5,564           Other assets         5,304         5,364           Deferred income taxes         7,992         7,806           Total assets         5,304         5,307           Total assets         5,304         5,304           Total assets         5,304         5,304           Total assets         5,304         5,304           Total assets         2,000         -8           Charrier discome taxes         2,000         -8           Accrued sic discounts, rebates and royalties         5,04         7,00           Accrued compensation         2,00         5,00           Accrued compensation         2,00         5,00           Other accrued expenses         13,06         13,23           Total current liabilities         1,136         1,212           Deferred income taxes         1,156 <td< td=""><td>Accounts receivable, net</td><td></td><td>86,304</td></td<>	Accounts receivable, net		86,304
Defered income taxes         6,588         5,896           Total current assets         21,063         214,303           Roperty, plant, and equipment, net         30,809         30,807           Godwill         30,803         30,879           Intangible assets, net         22,81         5,599           Uber assets         5,305         5,464           Defend income taxes         5,305         5,766           Total assets         5,306         5,806           Total assets         5,306         5,806           Total assets         5,306         5,806           Total assets         5,306         5,806           Total assets         5,506         5,806           Total assets         5,508         5,806           Portugatible         2,000         -           Accured income face for circli         2,000         -           Accured siles discounts, rebates and royalties         5,507         5,507           Accured income taxes         5,50         5,50           Other accured expenses         13,60         13,50           Total current liabilities         12,10         1,50           Total current liabilities <td< td=""><td>Inventories, net</td><td>90,904</td><td>65,402</td></td<>	Inventories, net	90,904	65,402
Total current assets         212,063         214,043           Property, plant, and equipment. net         30,449         78,097           Goodwill         30,802         30,807           Intangible assets, net         32,814         35,994           Other assets         7,992         7,806           Total assets         7,902         7,806           Total assets         85,948         \$ 30,808           Province Inhibitities         2,000         8           Draw on line of credit         2,000         8           Accounts payable         5,5430         \$ 5,008           Draw on line of credit         2,000         8           Accrued sales discounts, rebates and royalties         5,00         8           Accrued compensation         5,543         8           Accrued compensation         29,204         30,634           Deferred income taxes         5,00         5           Total current liabilities         12,302         148,800           Long-term liabilities         11,305         1,326           Deferred income taxes         11,056         1,326           Total current liabilities         15         5           Deferred income taxes         11,306			2,582
Property, plant, and equipment, net         80.449         78.007           Goodwill         30.87         30.87           Intangible assets, net         3.2814         35.99           Other assets         5.360         5.464           Deferred income taxes         5.364         \$ 370.67           Total assets         5.640         \$ 370.67           EINILITIES AND STOCKHOLDERS' EQUITY         Total selection of credit         2.000	Deferred income taxes	6,558	5,896
Godwill         30,807         30,807           Intangible assets, net         32,814         35,904           Other assets         7,992         7,806           Eferred income taxes         5,908         \$70,000           Total assets         6,304         \$70,000           Current liabilities           Current liabilities         5,543         \$5,600           Pack Crounts payable         2,000         -           Notes payable         14,400         35,000           Accrued sles discounts, rebates and royalties         6,54         7,942           Accrued income taxes         5,707         8,63         30,80           Accrued compensation         29,204         30,604           Accrued income taxes         13,967         13,267           Other accrued expenses         13,967         13,267           Total current liabilities         11,056         11,369           Deferred income taxes         11,105         11,369           Income tax payable         1,136         1,212           Other long-rem liabilities         139,499         161,467           Total liabilities         21,204         30,604           Total liabilities         139,499 <td>Total current assets</td> <td>212,063</td> <td>214,433</td>	Total current assets	212,063	214,433
Intangible assets, net         32,814         35,946           Other assets         5,356         7,646           Deferred income taxes         5,369,488         372,671           TOTAI assets         5,369,488         372,671           EXPRINTIFIES AND STOCKHOLDERS' EQUITY           Current liabilities           Accounts payable         5,5430         \$56,086           Draw on line of credit         2,000            Notes payable         6,544         7,942           Accrued siles discounts, rebates and royalties         6,544         7,942           Accrued income taxes         5,07         5,873           Accrued compensation         29,044         30,634           Deferred income taxes         1,05         1,236           Total current liabilities         11,056         13,286           Income taxes         11,056         11,356           Income tax payable         11,056         1,216           Other long-term liabilities         1         1,20           Total liabilities         1         1,20           Preferred income taxes         1         1,50           Total credit liabilities         1         2,50	Property, plant, and equipment, net	80,449	78,097
Other asets         5,36         7,464           Deferred income taxes         7,920         7,006           ICHABILITIES AND STOCKHOLDERS' EQUITY           Term liabilities:         Security liabilities:           Account payable         5,5430         \$ 5,6400         7,006           Draw on line of credit         6,544         7,942         7,000         -2,000 <td>Goodwill</td> <td>30,820</td> <td>30,877</td>	Goodwill	30,820	30,877
Deferred income taxes         7,992         7,806           Total asses         3 50,908         3 72,007           LAISHITTIES AND STOCKHOLDERS' EQUITY           Urrent liabilities:           Accounts payable         \$55,800         \$50,806           Draw on line of credit         2,000         -6           Notes payable         14,400         35,000           Accrued sales discounts, rebates and royalties         6,544         7,942           Accrued compensation         29,004         30,634           Accrued compensation         29,004         30,634           Other accrued expenses         13,65         13,238           Total current liabilities         127,00         14,803           Deferred income taxes         11,05         13,238           Income tax payable         1,155         11,25           Other long-term liabilities         1,156         11,25           Other long-term liabilities         1,156         1,212           Other long-term liabilities         1,156         1,212           Total liabilities         2,15         5.5           Total liabilities         1,156         1,212           Preferred stock, S0.01 par value, 5,000,000 shares authorized, part substit	Intangible assets, net	32,814	35,994
Total assets         \$ 369,488         \$ 372,671           EXECUTION STOCKHOLDERS' EQUITY           Current liabilities:           Accounts payable         \$ 55,430         \$ 56,086           Draw on line of credit         2,000         —           Accrued sales discounts, rebates and royalties         6,544         7,942           Accrued compensation         25,07         5,873           Accrued compensation         50         5,76           Deferred income taxes         50         5,76           Other accrued expenses         13,967         13,236           Total current liabilities         13,967         13,236           Deferred income taxes         11,056         11,366           Income tax payable         11,056         11,368           Income tax payable         13,136         12,126           Other long-term liabilities         13,069         16,467           Total liabilities         130,06         16,467           Preferred sock so,01 par value, 5,000,000 shares authorized; none issued or outstanding         ————————————————————————————————————	Other assets	5,350	5,464
Current liabilities	Deferred income taxes	7,992	
Current liabilities:         \$ 55,430         \$ 56,060           Accounts payable         2,000         —           Notes payable         14,400         35,000           Accrued sales discounts, rebates and royalties         6,544         7,942           Accrued accome taxes         5,707         8,783           Accrued compensation         29,204         30,634           Deferred income taxes         50         5,7           Other accrued expenses         13,967         148,803           Other accrued expenses         11,056         11,326           Inspect miliabilities         11,056         11,369           Income taxes payable         11,136         15,26           Income tax payable         1,136         5,56           Total liabilities         3,5         5,56           Total liabilities         3,5         5,5           Formulation expayable         1,136         15,14           Income taxes payable         3,13,6         5,5           Total liabilities         3,13,6         5,5           Commitments and contingencies         2,1         6,2           Erefered stock, \$0.01 par value, 5,000,000 shares authorized; 1,142,915 and 20,877,248 shares issued on         2,1         2,0	Total assets	\$ 369,488	\$ 372,671
Current liabilities:         \$5,430         \$5,630         \$5,630         \$5,630         \$5,630         \$5,630         \$5,630         \$5,630         \$5,630         \$5,630         \$5,630         \$5,000	LIABILITIES AND STOCKHOLDERS' EQUITY		
Draw on line of credit         2,000         —           Notes payable         114,400         35,000           Accrued sales discounts, rebates and royalties         6,544         7,942           Accrued income taxes         5,707         5,873           Accrued compensation         29,204         30,634           Deferred income taxes         13,967         13,238           Total current liabilities         127,302         148,830           Long-term liabilities         11,056         11,369           Deferred income taxes         1,136         1,212           Other long-term liabilities         5         5           Income tax payable         1,136         1,212           Other long-term liabilities         5         56           Total liabilities         5         5           Commitments and contringencies         5         5           Stockholders' equity         —         —           Perferred stock, \$0.01 par value, \$0,000,000 shares authorized; none issued or outstanding         —         —           Common stock, \$0.01 par value, \$0,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on         —         —           Paid-in capital         133,01         166,940           Accumulated othe	-		
Draw on line of credit         2,000         —           Notes payable         114,400         35,000           Accrued sales discounts, rebates and royalties         6,544         7,942           Accrued income taxes         5,707         5,873           Accrued compensation         29,204         30,634           Deferred income taxes         13,967         13,238           Total current liabilities         127,302         148,830           Long-term liabilities         11,056         11,369           Deferred income taxes         1,136         1,212           Other long-term liabilities         5         5           Income tax payable         1,136         1,212           Other long-term liabilities         5         56           Total liabilities         5         5           Commitments and contringencies         5         5           Stockholders' equity         —         —           Perferred stock, \$0.01 par value, \$0,000,000 shares authorized; none issued or outstanding         —         —           Common stock, \$0.01 par value, \$0,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on         —         —           Paid-in capital         133,01         166,940           Accumulated othe	Accounts payable	\$ 55,430	\$ 56.086
Notes payable         14,400         35,000           Accrued sales discounts, rebates and royalties         6,544         7,942           Accrued compensation         5,707         5,873           Accrued compensation         29,204         30,634           Deferred income taxes         50         57           Other accrued expenses         13,967         13,238           Total current liabilities         127,302         148,803           Long-term liabilities:         11,056         11,369           Income tax payable         1,136         1,212           Other long-term liabilities         5         56           Total liabilities         139,499         161,647           Commitments and contingencies         3         65           Stockholders' equity:         -         -           Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding         -         -           Common stock, \$0.01 par value, 5,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued or         211         20           Paid-in capital         173,701         166,940           Paid-in capital         173,701         166,940           Accumulated other comprehensive income (loss)         338         (489)	1 3		_
Accrued sales discounts, rebates and royalties         6,544         7,942           Accrued income taxes         5,707         5,873           Accrued compensation         29,204         30,634           Deferred income taxes         50         57           Other accrued expenses         13,967         13,238           Total current liabilities         127,302         148,830           Long-term liabilities         11,156         11,369           Income tax payable         1,136         1,212           Other long-term liabilities         5         56           Total liabilities         5         56           Commens tax payable         1,136         1,212           Other long-term liabilities         5         56           Total liabilities         5         56           Total liabilities         5         56           Committees         5         56           Total liabilities         5         5           Committee liabilities <td></td> <td>14,400</td> <td>35,000</td>		14,400	35,000
Accrued compensation         29,204         30,634           Deferred income taxes         50         57           Other accrued expenses         13,967         13,238           Total current liabilities         127,302         148,830           Long-term liabilities:         11,056         11,369           Income tax payable         1,136         1,212           Other long-term liabilities         5         56           Total liabilities         139,499         161,467           Commitments and contingencies         -         -           Stockholders' equity:         -         -           Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding         -         -           Common stock, \$0.01 par value, 5,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on         211         209           Paick-in capital         173,701         166,940           Accumulated other comprehensive income (loss)         938         (489)           Retained earnings         154,016         134,070           28,866         300,730           Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively         (98,576)           Total stockholders' equity         222,9,989		6,544	7,942
Deferred income taxes         50         57           Other accrued expenses         13,967         13,238           Total current liabilities         127,302         148,830           Long-term liabilities:         11,056         11,368           Deferred income taxes         11,056         11,369           Income tax payable         1,136         1,212           Other long-term liabilities         5         56           Total liabilities         139,499         161,467           Commitments and contingencies         5         56           Stockholders' equity:         -         -           Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding         -         -         -           Common stock, \$0.01 par value, 5,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on         211         209           Paid-in capital         173,701         166,940           Accumulated other comprehensive income (loss)         938         (489)           Retained earnings         154,016         334,070           Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively         98,752         68,526           Total stockholders' equity         2219,989         211,204 <td>Accrued income taxes</td> <td>5,707</td> <td>5,873</td>	Accrued income taxes	5,707	5,873
Deferred income taxes         50         57           Other accrued expenses         13,967         13,238           Total current liabilities         127,302         148,800           Long-term liabilities:         11,056         11,369           Deferred income taxes         11,136         1,212           Other long-term liabilities         5         56           Total liabilities         139,499         161,467           Commitments and contingencies         5         56           Stockholders' equity:         7         -           Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding         -         -           Common stock, \$0.01 par value, 5,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on         211         209           Paid-in capital         173,701         166,940           Accumulated other comprehensive income (loss)         938         (489)           Retained earnings         154,016         134,070           Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively         (98,572)         (89,526)           Total stockholders' equity         221,989         211,204	Accrued compensation	29,204	30,634
Total current liabilities         127,302         148,830           Long-term liabilities:         11,056         11,369           Deferred income taxes         11,136         1,212           Other long-term liabilities         5         56           Total liabilities         139,499         161,467           Committents and contingencies         139,499         161,467           Stockholders' equity:         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding         —         —           Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on         211         209           Peid-in capital         173,701         166,944           Accumulated other comprehensive income (loss)         938         (489)           Retained earnings         154,016         134,070           Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively         (98,877)         (89,526)           Total stockholders' equity         229,989         211,204	Deferred income taxes	50	57
Long-term liabilities:       11,056       11,369         Deferred income taxes       11,136       1,212         Other long-term liabilities       5       56         Total liabilities       139,499       161,467         Commitments and contingencies       5       5         Stockholders' equity:       -       -         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       -       -         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	Other accrued expenses	13,967	13,238
Deferred income taxes       11,056       11,369         Income tax payable       1,136       1,212         Other long-term liabilities       5       56         Total liabilities       139,499       161,467         Commitments and contingencies         Stockholders' equity:         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       —       —         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	Total current liabilities	127,302	148,830
Income tax payable       1,136       1,212         Other long-term liabilities       5       56         Total liabilities       139,499       161,467         Commitments and contingencies         Stockholders' equity:         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       —       —         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	Long-term liabilities:		
Other long-term liabilities       5       56         Total liabilities       139,499       161,467         Commitments and contingencies         Stockholders' equity:         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       —       —         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on         December 31, 2011 and 2010, respectively       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	Deferred income taxes	11,056	11,369
Total liabilities       139,499       161,467         Commitments and contingencies       Stockholders' equity:         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       —       —         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on       December 31, 2011 and 2010, respectively       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	Income tax payable	1,136	1,212
Commitments and contingencies  Stockholders' equity:  Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding  Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on  December 31, 2011 and 2010, respectively  Paid-in capital  Accumulated other comprehensive income (loss)  Retained earnings  154,016  328,866  300,730  Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively  (98,877)  (89,526)  Total stockholders' equity	Other long-term liabilities	5	56
Stockholders' equity:         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       —       —       —         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	Total liabilities	139,499	161,467
Stockholders' equity:         Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       —       —         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	Commitments and contingencies		
Preferred stock, \$0.01 par value, 5,000,000 shares authorized; none issued or outstanding       —       —       —         Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on       211       209         December 31, 2011 and 2010, respectively       211       209         Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204			
Common stock, \$0.01 par value, 50,000,000 shares authorized; 21,142,915 and 20,877,248 shares issued on		_	_
Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204			
Paid-in capital       173,701       166,940         Accumulated other comprehensive income (loss)       938       (489)         Retained earnings       154,016       134,070         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204	December 31, 2011 and 2010, respectively	211	209
Retained earnings       154,016       134,070         328,866       300,730         Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively       (98,877)       (89,526)         Total stockholders' equity       229,989       211,204		173,701	166,940
328,866 300,730 Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively (98,877) (89,526) Total stockholders' equity 229,989 211,204	Accumulated other comprehensive income (loss)	938	(489)
Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively  (98,877) (89,526)  Total stockholders' equity  229,989 211,204	Retained earnings	154,016	134,070
Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively  (98,877) (89,526)  Total stockholders' equity  229,989 211,204		328,866	300,730
Total stockholders' equity 229,989 211,204	Less cost of common stock in treasury, 6,353,035 and 5,926,071 shares on December 31, 2011 and 2010, respectively	,	
<u> </u>	1		
	Total liabilities and stockholders' equity	\$ 369,488	\$ 372,671

# UNIVERSAL ELECTRONICS INC. CONSOLIDATED INCOME STATEMENTS

(In thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	2011	2010
Net sales	\$117,645	\$102,505	\$468,630	\$331,780
Cost of sales	84,285	73,863	338,569	227,931
Gross profit	33,360	28,642	130,061	103,849
Research and development expenses	2,992	2,765	12,267	10,709
Selling, general and administrative expenses	24,102	21,145	91,218	71,839
Operating income	6,266	4,732	26,576	21,301
Interest (expense) income, net	(60)	(65)	(270)	34
Other (expense) income, net	(304)	461	(1,075)	523
Income before provision for income taxes	5,902	5,128	25,231	21,858
Provision for income taxes	988	1,362	5,285	6,777
Net income	\$ 4,914	\$ 3,766	\$ 19,946	\$ 15,081
Earnings per share:		<del></del>		
Basic	\$ 0.33	\$ 0.26	\$ 1.34	\$ 1.10
Diluted	\$ 0.33	\$ 0.26	\$ 1.31	\$ 1.07
Shares used in computing earnings per share:				
Basic	14,763	14,344	14,912	13,764
Diluted	14,919	14,737	15,213	14,106

# UNIVERSAL ELECTRONICS INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,		
	2011	2010	2009
Cash provided by operating activities:	Ф. 10.04C	ф. 4E 004	Ф. 4.4.CEE
Net income	\$ 19,946	\$ 15,081	\$ 14,675
Adjustments to reconcile net income to net cash provided by operating activities:	17 225	0.050	C 001
Depreciation and amortization	17,335	8,059	6,801
Provision for doubtful accounts	277	931	435
Provision for inventory write-downs	5,625	3,514	4,179
Deferred income taxes	(1,043)	(559)	(1,036)
Tax benefit from exercise of stock options and vested restricted stock	280	231	408
Excess tax benefit from stock-based compensation	(439)	(290)	(250)
Shares issued for employee benefit plan	729	566	741
Stock-based compensation	4,511	4,966	4,312
Changes in operating assets and liabilities, net of acquired assets and assumed liabilities:			
Accounts receivable	3,142	13,192	(4,278)
Inventories	(30,597)	(5,102)	(1,053)
Prepaid expenses and other assets	(345)	950	552
Accounts payable and accrued expenses	(4,319)	922	(2,201)
Accrued income and other taxes	(302)	(4,322)	702
Net cash provided by operating activities	14,800	38,139	23,987
Cash used for investing activities:			
Acquisition of Enson, net of cash acquired	_	(74,271)	_
Term deposit		49,246	(49,246)
Acquisition of property, plant, and equipment	(13,630)	(8,440)	(6,171)
Acquisition of intangible assets	(1,064)	(1,378)	(1,172)
Acquisition of assets from Zilog	_	_	(9,502)
Net cash used for investing activities	(14,694)	(34,843)	(66,091)
Cash (used for) provided by financing activities:			
Issuance of debt	4,200	41,000	_
Payment of debt	(22,800)	(9,834)	_
Proceeds from stock options exercised	1,677	1,964	3,275
Treasury stock purchased	(9,785)	(10,145)	(7,747)
Excess tax benefit from stock-based compensation	439	290	250
Net cash (used for) provided by financing activities	(26,269)	23,275	(4,222)
Effect of exchange rate changes on cash	1,286	(1,338)	104
Net (decrease) increase in cash and cash equivalents	(24,877)	25,233	(46,222)
Cash and cash equivalents at beginning of year	54,249	29,016	75,238
Cash and cash equivalents at end of year	\$ 29,372	\$ 54,249	\$ 29,016
Cush und cush equivalents at the of year	Ψ 23,372	Ψ υπ,Σπυ	Ψ 23,010

Supplemental Cash Flow Information — *Income taxes paid, net of refunds, were* \$8.1 million, \$11.7 million, and \$8.1 million in 2011, 2010, and 2009, respectively. We had interest payments of \$0.4 million in 2011 and \$0 in both 2010 and 2009.

### UNIVERSAL ELECTRONICS INC.

## RECONCILIATION OF ADJUSTED PRO FORMA FINANCIAL RESULTS

(In thousands) (Unaudited)

	Three Months Ended December 31, 2011			Three Months Ended December 31, 2010			
	GAAP	Adjustments	Adjusted Pro Forma	GAAP	Adjustments	Adjusted Pro Forma	
Net sales	\$117,645	\$ —	\$117,645	\$102,505	\$ —	\$102,505	
Cost of sales (1)	84,285	(277)	84,008	73,863	(1,799)	72,064	
Gross profit	33,360	277	33,637	28,642	1,799	30,441	
Research and development expenses	2,992	_	2,992	2,765	_	2,765	
Selling, general and administrative expenses (2)	24,102	(890)	23,212	21,145	(1,498)	19,647	
Operating income	6,266	1,167	7,433	4,732	3,297	8,029	
Interest (expense) income, net	(60)	_	(60)	(65)	_	(65)	
Other (expense) income, net	(304)		(304)	461		461	
Income before provision for income taxes	5,902	1,167	7,069	5,128	3,297	8,425	
Provision for income taxes (3)	988	179	1,167	1,362	487	1,849	
Net income	\$ 4,914	\$ 988	\$ 5,902	\$ 3,766	\$ 2,810	\$ 6,576	
Earnings per share diluted	\$ 0.33	\$ 0.07	\$ 0.40	\$ 0.26	\$ 0.19	\$ 0.45	

	Twelve Months Ended December 31, 2011			Twelve Months Ended December 31, 2010		
	GAAP	Adjustments	Adjusted Pro Forma	GAAP	Adjustments	Adjusted Pro Forma
Net sales	\$468,630	\$ —	\$468,630	\$331,780	\$ —	\$331,780
Cost of sales (1)	338,569	(1,108)	337,461	227,931	(1,799)	226,132
Gross profit	130,061	1,108	131,169	103,849	1,799	105,648
Research and development expenses	12,267	_	12,267	10,709	_	10,709
Selling, general and administrative \expenses (2)	91,218	(3,292)	87,926	71,839	(1,498)	70,341
Operating income	26,576	4,400	30,976	21,301	3,297	24,598
Interest (expense) income, net	(270)	_	(270)	34	_	34
Other (expense) income, net	(1,075)	_	(1,075)	523		523
Income before provision for income taxes	25,231	4,400	29,631	21,858	3,297	25,155
Provision for income taxes (3)	5,285	765	6,050	6,777	487	7,264
Net income	\$ 19,946	\$ 3,635	\$ 23,581	\$ 15,081	\$ 2,810	\$ 17,891
Earnings per share diluted	\$ 1.31	\$ 0.24	\$ 1.55	\$ 1.07	\$ 0.20	\$ 1.27

<sup>(1)</sup> To reflect depreciation expense of \$0.3 million and \$1.1 million for the three and twelve months ending December 31, 2011, respectively, relating to the mark-up in fixed assets from cost to fair value as part of the Enson Assets Limited acquisition.

<sup>(2)</sup> To reflect \$0.9 million and \$3.3 million of amortization expense for the three and twelve months ended December 31, 2011, respectively, relating to intangible assets acquired as part of the Enson Assets Limited and Zilog acquisitions.

<sup>(3)</sup> To reflect the tax effect of the adjustments.