==

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 1998

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From ______ to ______

Commission File Number: 0-21044

UNIVERSAL ELECTRONICS INC.
(Exact name of registrant as specified in its charter)

DELAWARE	33-0204817
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6101 GATEWAY DRIVE, CYPRESS, CALIFORNIA	90630
(Address of principal executive offices)	(Zip Code)

714-820-1000
(Registrant's telephone number, including area code)

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

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date - 6,351,389 shares of the Company's Common Stock, $.01 par value, were outstanding at June 30, 1998.

EXHIBITS TO THIS QUARTERLY REPORT APPEAR ON PAGE 13

UNIVERSAL ELECTRONICS INC.

INDEX

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED BALANCE SHEET
(In thousands)

ASSETS	June 30, 1998 (Unaudited)	December 31, 1997 (Audited)
Current assets:		
Cash and cash equivalents	$ 665	$ 1,097
Accounts receivable, net	20,639	26,049
Inventories	15,538	16,639
Refundable income taxes	5	5
Prepaid expenses	3,027	1,055
Deferred income taxes	4,272	5,027
Assets held for sale	1,680	1,729
Total current assets	45,826	51,601
Equipment, furniture, and fixtures, net	4,420	3,950
Patents and trademarks	517	460
Other assets	630	475
Deferred income taxes	4,652	4,652
Total assets	$ 56,045	$ 61,138
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving credit facility	$ 6,357	$ 7,237
Accounts payable	5,385	7,775
Accrued income taxes	117	101
Accrued compensation	863	714
Accrued discontinuation expenses	789	3,929
Other accrued expenses	2,037	2,495
Total current liabilities	15,548	22,251
Stockholders' equity:		
Capital stock	69	68
Paid-in capital	54,936	54,454
Currency translation adjustment	(118)	(73)
Accumulated deficit	(10,633)	(12,291)
Cost of common stock held in treasury	(3,757)	(3,271)
Total stockholders' equity	40,497	38,887
Total liabilities and stockholders' equity	$ 56,045	$ 61,138

The accompanying notes are an integral part of these financial statements.

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
(In thousands, except per share amounts) (Unaudited)

	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997	Six Months Ended June 30, 1998	Six Months Ended June 30, 1997
Net sales	$ 22,273	$ 23,931	$ 40,849	$ 46,311
Cost of sales	13,200	16,648	24,526	32,271
Gross profit	9,073	7,283	16,323	14,040
Selling, general, & administrative expenses	6,956	6,735	13,560	13,806
Operating income	2,117	548	2,763	234
Interest expense	97	105	237	203
Interest income	(1)	(3)	(1)	(8)
Other (income) expenses, net	53	3	8	27
Income before income taxes	1,968	443	2,519	12
Income tax (expense) benefit	(654)	(155)	(861)	(4)
Net income	1,314	288	1,658	8
Other comprehensive income (loss):				
Foreign currency translation adjustments	(23)	(37)	(44)	(36)
Tax benefit related to foreign currency translation adjustments	8	13	15	12
Comprehensive net income (loss)	$ 1,299	$ 264	$ 1,629	$ (16)
Net income per share:				
Basic	$ 0.21	$ 0.05	$ 0.26	$ 0.00
Diluted	$ 0.20	$ 0.05	$ 0.25	$ 0.00
Weighted average common stock outstanding:				
Basic	6,366	6,265	6,332	6,285
Diluted	6,723	6,299	6,668	6,316

The accompanying notes are an integral part of these financial statements.

\

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)(Unaudited)

	Six Months Ended June 30, 1998	1997
Cash provided by (used for) operating activities:		
Net income	$ 1,658	$ 8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	655	982
Deferred income taxes	755	(102)
Issuance of common stock for retirement plan	49	64
Provision for bad debts	580	--
Issuance of treasury shares to directors	12	34
Changes in operating assets and liabilities:		
Receivables	4,830	267
Inventories	1,101	(2,141)
Other assets	(2,125)	(414)
Accrued discontinuation expense	(3,140)	--
Payables and accruals	(2,981)	2,945
Accrued income taxes	298	(28)
Net cash provided by operating activities	1,692	1,615
Cash used for investing activities:		
Acquisition of fixed assets	(1,038)	(1,370)
Trademarks	(98)	(90)
Loan repayments from employees for common stock purchases	--	109
Net cash used for investing activities:	(1,136)	(1,351)
Cash provided by (used for)financing activities:		
Short-term debt borrowings	24,506	--
Short-term debt payments	(25,385)	--
Proceeds from stock options exercised	429	--
Long-term debt	--	303
Treasury stock purchased	(493)	(736)
Net cash provided by (used for) financing activities	(943)	(433)
Effect of exchange rates on cash	(45)	(43)
Net decrease in cash and cash equivalents	(432)	(212)
Cash and cash equivalents at beginning of period	1,097	510
Cash and cash equivalents at end of period	$ 665	$ 298

The accompanying notes are an integral part of these financial statements

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Adjustments

All adjustments, consisting of recurring adjustments necessary for a fair presentation of financial position and results of operations of these unaudited interim periods, have been included in the accompanying financial statements.

Inventories

Inventories consist of the following (in thousands):

	June 30, 1998	December 31, 1997
Components	$ 5,450	$ 6,479
Finished goods	10,088	10,160
Total inventories	$15,538	$16,639

Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding. Diluted net income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares and dilutive potential common shares outstanding. Dilutive potential common shares for all periods presented are computed utilizing the treasury stock method.

Comprehensive Income

Effective in the first quarter of fiscal 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." This statement establishes standards for reporting and display of comprehensive income and its components in the Company's consolidated financial statements. Comprehensive income represents the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. It includes all changes in equity during a period, except those resulting from investments by owners and distributions to owners. Total comprehensive income and its components are included in the accompanying Consolidated Statement of Income and Comprehensive Income.

Reclassification

Certain prior year amounts have been reclassified to conform with the presentation utilized in the three and six month periods ended June 30, 1998.

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

RESULTS OF OPERATIONS

Second Quarter 1998 versus 1997

Net sales for the 1998 second quarter were $22.3 million, an increase of 29.7% over the net sales of $17.2 million for the same quarter last year, after excluding net sales of $7.0 million related to the Company's discontinued North American retail business. Net income increased substantially in the second quarter to $1,314,000 or $0.21 per share (basic) and $0.20 per share (diluted), from $288,000 or $0.05 per share (basic and diluted) for the second quarter of 1997.

Net sales in the Company's Technology Businesses (subscription broadcasting, OEM and private label) rose 32.5% in the second quarter of 1998 to $15.9 million from $12.0 million for the same period last year. Net sales in the international (R)One For All business increased by 24.4% in the second quarter of 1998 to $5.1 million from $4.1 million in the corresponding period last year.

Gross margins for the second quarter of 1998 were 40.7% compared to 30.4% for the same period in 1997. This can be attributed to the discontinuation of the Company's lower margin North American retail business and improved margins in the subscription broadcasting and international One For All businesses.

Selling, general and administrative expenses increased to $7.0 million in the second quarter of 1998, compared to $6.7 million in 1997 due primarily to increased expenses associated with the settlement of a lawsuit filed by a former customer.

The Company recorded interest expense of approximately $97,000 related to borrowings under its revolving credit line for the second quarter of 1998 compared to approximately $105,000 for the second quarter of 1997.

The Company recorded income tax expense of $654,000 for the second quarter of 1998 compared to approximately $155,000 for the same quarter of 1997.

Six Months 1998 versus 1997

Net sales for the six months ended June 30, 1998 were $40.8 million, an increase of 22.5% over the net sales of $33.3 million for the same period last year, after excluding the net sales of $13.0 million related to the Company's discontinued North American retail business. Net income increased substantially in the six month period ended June 30, 1998 to $1,658,000 or $0.26 per share (basic) and $0.25 per share (diluted), from $8,000 or break-even per share (basic and diluted) for the same period in 1997.

Net sales in the Company's Technology Businesses (subscription broadcasting, OEM and private label) for the first half of 1998 increased 27.0% to $30.4 million from $23.9 million for the same period last year. The international One For All business posted solid sales growth in the six months ended June 30, 1998 up about 21.1% to $8.6 million from the $7.1 million for the corresponding period in 1997.

Gross margins for the first six months of 1998 were 40.0% compared to 30.3% for the same period in 1997. This can be attributed to the discontinuation of the Company's lower margin North American retail business and improved margins in the subscription broadcasting and international One For All businesses.

Selling, general and administrative expenses decreased slightly to $13.6 million in the first half of 1998, compared to $13.8 million in the first half of 1997 due to lower overall expenses offset by relocation related expenses and the settlement of a lawsuit by a former customer in the first half of 1998.

Interest expense related to borrowings under the Company's revolving credit line for the first half of 1998 increased slightly to approximately $237,000 compared to approximately $203,000 for the first half of 1997. This increase was a result of a higher average outstanding balance during the six months ended June 30, 1998.

The Company recorded income tax expense of approximately $861,000 for the first half of 1998 compared to $4,000 for the same period in 1997.

BACKLOG

As of the end of the first half of 1998, the Company had backlog orders of $12.5 million. This reflects a decrease in orders of 44.4% as of the same date in 1997 when the Company had backlog orders representing $22.5 million in sales. Although the Company believes current orders to be firm and expects that substantially all of the backlog will be shipped in 1998, there can be no assurance that such orders will be shipped. The Company further believes that backlog is not a meaningful indicator of its future performance.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal sources of funds are its operations and bank credit facilities. Cash provided from operating activities was $1.7 million for the first half of 1998 compared to $1.6 million for the same period in 1997. The slight improvement in cash flow is due to efforts taken by management to reduce inventory and accounts receivable balances offset by nonrecurring expenditures of $3.1 million related to the Company's restructuring.

The Company's bank credit facilities include a revolving credit line which is available to fund the Company's seasonal working capital needs and for general operating purposes. This revolving credit facility, which was renewed on April 30, 1998, provides the Company with borrowing availability of $15 million and bears interest equal to the bank's prime rate plus one-quarter percent. The credit facility is secured by a first priority security interest in the accounts receivable, inventory, equipment, and general intangibles of the Company. At June 30, 1998, the interest rate charged on the outstanding balance of this credit line was 8.25%. Under the terms of this revolving credit facility, the Company's ability to pay cash dividends on its common stock and the acquisition of treasury shares is generally restricted, however, the Company has authority under this credit facility to acquire up to 1,000,000 shares of its common stock in market purchases and, to date, the Company has acquired approximately 584,000 shares of stock which it holds as treasury shares and are available for reissue by the Company. Presently, except for using a small number of these treasury shares to compensate its outside board members, the Company has no plans to distribute these shares.

Amounts available for borrowing are reduced by the outstanding balance of the Company's import letters of credit. As of June 30, 1998, the Company had utilized approximately $6.4 million of the credit facility for the acquisition of its facility in Ohio, treasury stock purchases and other working capital needs. The Company had no outstanding import letters of credit. The Company's borrowing under this revolving credit facility and outstanding import letters of credit fluctuates due to, among other things, seasonality of the business, the timing of supplier shipments, customer orders and payments, and vendor payments.

Capital expenditures in the first half of 1998 and 1997 were approximately $1,038,000 and $1,370,000, respectively. The 1998 and 1997 capital expenditures related primarily to product tooling and the relocation of the Company's facilities from Ohio to California in 1998 and relocation of the California facility in 1997.

It is the Company's policy to carefully monitor the state of its business, cash requirements and capital structure. The Company believes that funds generated from operations and available from its borrowing capacity will be sufficient to fund its currently anticipated cash needs, however, there can be no assurances that this will occur.

RISK FACTORS AND SAFEHARBOR STATEMENT

The Company cautions that the following important factors, among others (including but not limited to factors mentioned from time to time in the Company's reports filed with the Securities and Exchange Commission), could affect the Company's actual results and could cause the Company's actual consolidated results to differ materially from those expressed in any forward-looking statements of the Company made by or on behalf of the Company. The factors included here are not exhaustive. Further, any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Therefore, forward-looking statements should not be relied upon as a prediction of actual future results.

Dependence Upon Key Suppliers

Most of the components used in the Company's products are available from multiple sources; however, the Company has elected to purchase integrated circuit components used in the Company's products, principally its remote control products, and certain other components used in the Company's products, from single sources. The Company has recently developed alternative sources of supply for these integrated circuit components. However, there can be no assurance that the Company will be able to continue to obtain these components on a timely basis. The Company generally maintains inventories of its integrated chips, which could be used in part to mitigate, but not eliminate, delays resulting from supply interruptions. An extended interruption or termination in the supply of any of the components used in the Company's products, or a reduction in their quality or reliability, would have an adverse effect on the Company's business and results of operations.

Dependence on Foreign Manufacturing

Third-party manufacturers located in foreign countries manufacture substantially all of the Company's remote controls. The Company's arrangements with its foreign manufacturers are subject to the risks of doing business abroad, such as import duties, trade restrictions, work stoppages, political instability and other factors which could have a material adverse effect on the Company's business and results of operations. The Company believes that the loss of any one or more of its manufacturers would not have a long-term material adverse effect on the Company's business and results of operations because numerous other manufacturers are available to fulfill the Company's requirements, however, the loss of any of the Company's major manufacturers could adversely affect the Company's business until alternative manufacturing arrangements are secured.

Potential Fluctuations in Quarterly Results

The Company's quarterly financial results may vary significantly depending primarily upon factors such as the timing of significant orders, the timing of new product offerings by the Company and its competitors and product presentations. In addition, the Company's business historically has been seasonal, with the largest proportion of sales occurring in September, October and November of each calendar year. Factors such as quarterly variations in financial results could aversely affect the market price of the Common Stock and cause it to fluctuate substantially. In addition, the Company (i) may from time to time increase its operating expenses to fund greater levels of research and development, increase its sales and marketing activities, develop new distribution channels, improve its operational and financial systems and broaden its customer support capabilities and (ii) may incur significant operating expenses associated with any new acquisitions. To the extent that such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

The Company expects to experience significant fluctuations in future quarterly operating results that may be caused by many factors, including demand for the Company's products, introduction or enhancement of products by the Company and its competitors, market acceptance of new products, price reductions by the Company or its competitors, mix of distribution channels through which products are sold, level of product returns, mix of products sold, component pricing, mix of international and North American revenues, and general economic conditions. In addition, as a strategic response to changes in the competitive environment, the Company may from time to time make certain pricing or marketing decisions or acquisitions that could have a material adverse effect on the Company's business, results of operations or financial condition. As a result, the Company believes that period-to-period comparisons of its results of operations are not necessarily meaningful and should not be relied upon as any indication of future performance. Due to all of the foregoing factors, it is likely that in some future quarters the Company's operating results will be below the expectations of public market analysts and investors. In such event, the price of the Company's common stock would likely be materially adversely affected.

Dependence on Consumer Preference

The Company is susceptible to fluctuations in its business based upon consumer demand for its products. The Company believes that its success depends in substantial part on its ability to anticipate, gauge and respond to such fluctuation in consumer demand. However, it is impossible to predict with complete accuracy the occurrence and effect of any such event that will cause such fluctuations in consumer demand for the Company's products.

Dependence Upon Timely Product Introduction

The Company's ability to remain competitive in the remote control products market will depend in part upon its ability to successfully identify new product opportunities and to develop and introduce new products and enhancements on a timely and cost effective basis. There can be no assurance that the Company will be successful in developing and marketing new products or in enhancing its existing products, or that such new or enhanced products will achieve consumer acceptance, and if acquired, will sustain that acceptance, that products developed by others will not render the Company's products non-competitive or obsolete or that the Company will be able to obtain or maintain the rights to use proprietary technologies developed by others which are incorporated in the Company's products. Any failure by the Company to anticipate or respond adequately to technological developments and customer requirements, or any significant delays in product development or introduction, could have a material adverse effect on the Company's financial condition and results of operations.

In addition, the introduction of new products which the Company may introduce in the future may require the expenditure of a significant amount of funds for research and development, tooling, manufacturing processes, inventory and marketing. In order to achieve high volume production of any new product, the Company may have to make substantial investments in inventory and expand its production capabilities.

Dependence on Major Customers

The Company's performance is affected by the economic strength and weakness of its worldwide customers. The Company sells its remote control products and proprietary technologies to private label customers, original equipment manufacturers ("OEMs"), and companies involved in the subscription broadcast industry. The Company also supplies its products to its wholly-owned, non-U.S. subsidiaries and to independent foreign distributors, who in turn distribute the Company's products worldwide, with the United Kingdom, Europe, and Australia currently representing the Company's principal foreign markets. The loss of any one or more of the Company's key customers either in the United States or abroad due to the financial weakness or bankruptcy of any such customer may have an adverse affect on the Company's financial condition or results of operations.

Competition/Litigation

The remote control industry is characterized by intense competition based primarily on product availability, price, speed of delivery, ability to tailor specific solutions to customer needs, quality and depth of product lines. The Company's competition is fragmented across its product lines, and accordingly, the Company does not compete with any one company across all product lines. The Company competes with a variety of entities, some of which have greater financial and other resources than the Company. The Company's ability to remain competitive in this industry depends in part on its ability to successfully identify new product opportunities and develop and introduce new products and enhancements on a timely and cost effective basis as well as its ability to identify and enter into strategic alliances with entities doing business within the industries the Company serves. There can be no assurances that the Company and its product offerings will be and/or remain competitive or that any strategic alliances, if any, which the Company enters into will achieve the type, extent and amount of success or business that the Company expects or hopes to achieve. In addition, as is typical in the Company's industry and the nature and kind of business in which the Company is engaged, from time to time, various claims, charges and litigation are asserted or commenced by third parties against the Company or by the Company against third parties arising from or related to product liability, infringement of patent or other intellectual property rights, breach of warranty, contractual relations, or employee relations. The amounts claimed may be substantial but may not bear any reasonable relationship to the merits of the claims or the extent of any real risk of court awards. While it is the opinion of management that the Company's products do not infringe any third parties' patent or other intellectual property rights, the costs associated with defending or pursuing any such claims or litigation could be substantial and amounts awarded as final judgments, if any, in any such potential or pending litigation, could have a significant and material adverse effect on the Company's financial condition or results of operations.

General Economic Conditions

General economic conditions, both domestic and foreign, have an impact on the Company's business and financial results. From time to time the markets in which the Company sells its products experience weak economic conditions that may negatively affect the sales of the Company's products. To the extent that general economic conditions affect the demand for products sold by the Company, such conditions could have an adverse effect on the Company's business. Moreover, operating its business in countries outside of the United States exposes the Company to fluctuations in foreign currency exchange rates, exchange ratios, nationalization or expropriation of assets, import/export controls, political instability, variations in the protection of intellectual property rights, limitations on foreign investments and restrictions on the ability to convert currency are risks inherent in conducting operations in geographically distant locations, with customers speaking different languages and having different cultural approaches to the conduct of business, any one of which alone or collectively, may have an adverse affect on the Company's international operations, and consequently on the Company's business, operating results and financial condition.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On June 16, 1998, the Company entered into a confidential Release and Settlement Agreement with Jasco Products Co., Inc. in which the parties settled and dismissed with prejudice their respective claims against each in consolidated cases Jasco Products Co., Inc. v. Universal Electronics Inc., Case No. CIV-95-1988T, consolidated with Universal Electronics Inc. v. Jasco Products Co., Inc., Case No. CIV-96-700-R. The Release and Settlement Agreement and Joint Stipulation for Dismissal was approved by Order of the Court on June 18, 1998.

On June 23, 1998, Circuit Solutions, Inc. filed a suit against the Company in the Court of Common Pleas, Lorain County, Ohio, Circuit Solutions, Inc. v. Universal Electronics Inc., Case No. 98CV121418 alleging breach of contract and further alleging damages in the amount of $110,000. On July 20, 1998, due to a motion by the Company, the suit was transferred to the United States District Court for the Northern District of Ohio, Eastern Division, Circuit Solutions, Inc. v. Universal Electronics Inc., Case No. 1:98 CV 1647. This case is in the preliminary stages of pleading, with the Company filing its answer on July 24, 1998 denying plaintiff's allegations and claims and it intends to vigorously defend this action.

On June 25, 1998, a former executive officer of the Company, Bruce V. Vereecken, filed suit against the Company in the Court of Common Pleas, Summit County, Ohio, Bruce V. Vereecken v. Universal Electronics Inc., Case No. CV 98 06 2506, alleging the Company has breached its Separation Agreement and General Release with the plaintiff and, in addition, claiming promissory estoppel, unjust enrichment and bad faith. The plaintiff is seeking damages in excess of $25,000. This case is in the preliminary stages of pleading, with the Company filing its answer on August 13, 1998 denying plaintiff's allegations and claims and it intends to vigorously defend this action.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's Annual Meeting of Stockholders' was held on May 27, 1998. In connection with the Annual Meeting of Stockholders, the following are the results of the vote taken on the various matters presented to the Company's stockholders.

Proposal One: The election of the Company's Board of Directors

Nominee - Class I Directors	In Favor	Withheld
Paul D. Arling	5,681,948	22,215
David M. Gabrielsen	5,681,948	22,215
Camille Jayne	5,632,464	22,615
Nominee - Class II Directors		
Peter L. Gartman	5,681,948	22,215
Bruce A. Henderson	5,681,948	22,215
F. Rush McKnight	5,632,464	22,615
William C. Mulligan	5,681,948	22,215

Proposal Two: The ratification and approval of the Universal Electronics Inc. 1998 Stock Incentive Plan

In Favor	Opposed	Abstained	Broker Non-Vote
5,249,398	425,260	29,505	0

Proposal Three: The ratification of the approval of Price Waterhouse as the Company's independent auditors for the year ending December 31, 1998

In Favor	Opposed	Abstained	Broker Non-Vote
5,676,818	21,545	5,800	0

ITEM 5. OTHER INFORMATION

On August 12, 1998, the Company announced that Camille Jayne, the Company's President and Chief Operating Officer, assumed the additional responsibilities of Chief Executive Officer, replacing David M. Gabrielsen who relinquished all of his positions as an officer and employee of the Company. Mr. Gabrielsen will continue as a member of the Company's Board of Directors as its Chairman. In addition, also on August 12, 1998, the Company announced that Roger T. Monaco, the Company's Vice President, assumed the responsibilities of Senior Vice President and Chief Financial Officer, succeeding Paul D. Arling, who resigned as the Company's Chief Financial Officer. Mr. Arling continues as the Company's Senior Vice President until August 31, 1998 at which time he shall resign from all officer positions and as an employee of the Company. Mr. Arling will continue as a member of the Company's Board of Directors.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

		Page
(A)	Exhibits	
	11.1 Statement re: Computation of Per Share Earnings (filed herewith)	15
(B)	Reports on Form 8-K	
	There were no reports on Forms 8-K filed during the quarter ended June 30, 1998.	
(C)	Exhibit 27 Financial Data Schedule	16

SIGNATURE

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.

(Registrant) Universal Electronics Inc.

Date: August 14, 1998 /s/ ROGER MONACO

Roger Monaco
Senior Vice President & Chief Financial Officer
(Assumed position of Senior Vice President and Chief Financial Officer effective August 12, 1998)

/s/ PAUL ARLING

Paul Arling
Senior Vice President
(Resigned as Chief Financial Officer on August 12, 1998)

EXHIBIT 11.1

UNIVERSAL ELECTRONICS INC.
COMPUTATION OF PER SHARE EARNINGS
(Unaudited)

	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997	Six Months Ended June 30, 1998	Six Months Ended June 30, 1997
Common stock outstanding beginning of period	6,312,199	6,372,025	6,312,199	6,372,025
Weighted average common stock outstanding from exercise of stock options, treasury stock purchases and employee benefit plan	53,888	(106,417)	19,831	(86,890)
Weighted average common stock outstanding	6,366,087	6,265,608	6,332,030	6,285,135
Stock options	357,100	33,590	336,232	30,782
Weighted average common and common stock equivalents outstanding	6,723,187	6,299,198	6,668,262	6,315,917
Net income attributable to common stockholders	$ 1,313,778	$ 288,488	$ 1,657,680	$ 7,703
Net income per common and common stock equivalents:				
Basic	$ 0.21	$ 0.05	$ 0.26	$ 0.00
Diluted	$ 0.20	$ 0.05	$ 0.25	$ 0.00

5

6-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
665
0
22,712
(2,073)
15,538
45,826
9,735
(3,635)
56,045
15,548
0
0
0
69
40,428
56,045
40,849
40,849
24,526
13,560
8
580
237
2,519
861
0
0
0
0
1,658
.26
.25