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, 2000

[ ] 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)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (714) 820-1000

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 - 13,753,299 shares of Common Stock, par value $.01 per share, of the Registrant were outstanding at June 30, 2000.

UNIVERSAL ELECTRONICS INC.

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ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share-related data)
(Unaudited)

	June 30, 2000	December 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,670	$ 13,286
Accounts receivable	21,886	27,933
Inventories	20,225	13,494
Prepaid expenses and other current assets	1,418	1,887
Deferred income taxes	4,128	3,906
Total current assets	63,327	60,506
Equipment, furniture and fixtures, net	3,368	3,697
Goodwill and other intangible assets, net	5,705	6,265
Other assets	1,233	1,662
Deferred income taxes	--	1,621
Total assets	$ 73,633	$ 73,751
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 6,298	$ 8,824
Accrued income taxes	275	794
Accrued compensation	1,542	1,928
Other accrued taxes	453	831
Other accrued expenses	2,659	2,623
Total current liabilities	11,227	15,000
Notes payable	209	240
Total liabilities	11,436	15,240
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 624,512 shares authorized; none issued or outstanding	--	--
Common stock, $.01 par value, 20,000,000 shares authorized; 15,404,667 and 15,317,304 shares issued at June 30, 2000 and December 31, 1999, respectively	154	153
Paid-in capital	64,933	64,299
Currency translation adjustment	(396)	(237)
Retained earnings	4,266	1,087
Unamortized value of restricted stock grants	(56)	(83)
Common stock in treasury, 1,651,368 and 1,652,384 shares at June 30, 2000 and December 31, 1999	(6,704)	(6,708)
Total stockholders' equity	62,197	58,511
Total liabilities and stockholders' equity	$ 73,633	$ 73,751

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

UNIVERSAL ELECTRONICS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Net sales	$ 28,291	$ 22,757	$ 50,955	$ 43,699
Cost of sales	16,837	13,590	29,823	26,249
Gross profit	11,454	9,167	21,132	17,450
Selling, general and administrative expenses	8,164	7,146	16,304	14,597
Operating income	3,290	2,021	4,828	2,853
Interest expense (income)	(302)	(3)	(507)	5
Other expense (income)	(42)	(8)	(53)	54
Income before income taxes	3,634	2,032	5,388	2,794
Provision for income taxes	(1,490)	(833)	(2,209)	(1,145)
Net income	$ 2,144	$ 1,199	$ 3,179	$ 1,649
Net income per share:				
Basic	$ 0.16	$ 0.09	$ 0.23	$ 0.13
Diluted	$ 0.14	$ 0.08	$ 0.21	$ 0.12
Weighted average common stock outstanding:				
Basic	13,743	13,262	13,717	13,128
Diluted	15,066	14,112	15,063	13,766

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

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

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Cash provided by operating activities:		
Net income	$ 3,179	$ 1,649
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,014	1,796
Provision for doubtful accounts	39	494
Deferred income taxes	1,399	755
Other	207	--
Changes in operating assets and liabilities:		
Accounts receivable	6,008	3,526
Inventory	(6,731)	824
Prepaid expenses and other assets	798	(529)
Accounts payable and accrued expenses	(2,876)	(658)
Accrued income taxes	(897)	291
Net cash provided by operating activities	3,140	8,148
Cash used for investing activities:		
Acquisition of fixed assets	(986)	(620)
Payments for businesses acquired	--	(1,550)
Other	(39)	(174)
Net cash used for investing activities	(1,025)	(2,344)
Cash used for financing activities:		
Short-term bank borrowing	--	10,810
Short-term bank payments	--	(15,596)
Proceeds from stock options exercised	459	2,106
Other	(31)	--
Net cash provided by (used for) for financing activities	428	(2,680)
Effect of exchange rate changes on cash	(159)	(67)
Net increase in cash and cash equivalents	2,384	3,057
Cash and cash equivalents at beginning of period	13,286	1,489
Cash and cash equivalents at end of period	$ 15,670	$ 4,546

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

UNIVERSAL ELECTRONICS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Adjustments

The accompanying consolidated financial statements include the accounts of the Company and all subsidiaries after elimination of all material intercompany accounts and transactions. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's 1999 Form 10-K. The financial information presented in the accompanying statements reflects all adjustments that are, in the opinion of management, necessary for a fair presentation of the periods indicated. All such adjustments are of a normal recurring nature.

Inventories

Inventories consist of the following (in thousands):

	June 30, 2000	December 31, 1999
Components	$ 9,986	$ 5,710
Finished goods	10,239	7,784
Total inventories	$20,225	$13,494

Net Income Per Share

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

Stock Split

On December 20, 1999, the Board of Directors declared a two-for-one split of the Company's common stock effective January 31, 2000, in the form of a stock dividend for stockholders of record at the close of business on January 10, 2000. All share and per-share amounts in the accompanying consolidated financial statements and notes to consolidated financial statements have been restated to give retroactive effect to the stock split.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities". The statement is effective for fiscal years beginning after June 15, 2000. The Company is assessing the impact this statement will have on the consolidated financial statements and has not yet adopted the provisions of SFAS No. 133 as of June 30, 2000.

In December 1999, the Securities and Exchange Commission released Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," which was amended by SAB No. 101A in March 2000 and SAB No. 101B in June 2000. SAB No. 101A and SAB No. 101B delayed the implementation date of SAB No. 101. SAB No. 101 provides guidance on the recognition, presentation and disclosure of revenue in financial statements, and is effective in the fourth quarter of 2000, as amended. The Company is currently assessing the impact of adoption on its consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the presentation utilized in the six-month period ended June 30, 2000.

Business Segments and Foreign Operations

The Company operates in a single industry segment and is engaged in the development and marketing of pre-programmed wireless control devices and related products principally for home video and audio entertainment equipment and the subscription broadcast market.

The Company's operations by geographic area in thousands are presented below:

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Net Sales		
United States	$32,312	$31,891
United Kingdom	3,669	2,560
Germany	2,815	2,644
All Other	12,159	6,604
Total Net Sales	$50,955	$43,699

	June 30, 2000	December 31, 1999
Identifiable Assets		
United States	$ 6,547	$ 7,619
All Other Countries	3,758	4,005
Total Identifiable Assets	$10,305	$11,624

Specific identification of customer location was the basis used for attributing revenues from external customers to individual countries.

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

RESULTS OF OPERATIONS

Second Quarter 2000 versus 1999

Net sales for the second quarter of 2000 increased by $5.5 million, or 24.3%, from $22.8 million in the second quarter of 1999 to $28.3 million. Net sales in the Company's technology lines (subscription broadcasting, OEM and private label) were approximately 77.5% of net sales for the second quarter of 2000 compared to 79.5% for the second quarter of 1999. Net sales from the retail lines (One For All(R) international, Eversafe and direct import) accounted for approximately 22.5% of total second quarter 2000 net sales compared to 20.5% for the corresponding period in 1999.

Net sales in the Company's technology lines for the second quarter of 2000 increased 21.1% to $21.9 million from $18.1 million for the same quarter last year. The increase in technology sales is primarily due to increased demand in U.S. and European OEM markets.

The Company's net sales from its retail lines for the second quarter of 2000 were $6.4 million, an increase of 36.7% from net sales of $4.7 million for the same quarter last year. One For All international revenues (the largest component of the retail business group) increased 41.5% from $4.2 million for the second quarter of 1999 to $6.0 million in second quarter of 2000. This was due to increased demand in the major European countries.

The Company's overall gross profit for the second quarter of 2000 was $11.5 million, or 40.5% of net sales, compared to $9.2 million, or 40.3% of net sales, for the same period last year. The gross margin was slightly higher due to higher margins associated with the introduction of new products to new and existing customers in 2000.

Selling, general and administrative expenses increased $1.1 million, or 14.2% to $8.2 million for the second quarter of 2000 from $7.1 million for the same quarter in 1999. The increase was attributable to increased payroll costs due to additional hiring of personnel associated with technology development and sales and overall increases in payroll and bonus related costs, partially offset by lower bad debt expense and reduced telephone costs.

In the second quarter of 2000, the Company recorded $302,000 of interest income compared to $3,000 interest income (net) in the second quarter of 1999. This difference was a result of the absence of borrowing under the Company's revolving credit agreement during the second quarter of 2000 and interest earned on accumulated cash balances in 2000.

The Company recorded income tax expense of $1.5 million for the second quarter of 2000 compared to $0.8 million for the same quarter of 1999. The increase was due to improved results in 2000. The Company's effective tax rate was 41% in the second quarter of 2000 and the second quarter of 1999.

Six Months 2000 versus 1999

Net sales for the six months ended June 30, 2000 were $51.0 million, an increase of 16.6% over the net sales of $43.7 million for the same period last year. Net income increased to $3.2 million or $0.23 per share (basic) and $0.21 per share (diluted) for the six month period ended June 30, 2000, compared to $1.6 million or $0.13 per share (basic) and $0.12 per share (diluted) for the same period ended June 30, 1999.

Net sales in the Company's technology lines (subscription broadcasting, OEM and private label) for the first half of 2000 increased 18.8% to $39.7 million from $33.4 million for the same period last year due to increased shipments in U.S. and European OEM markets and stronger sales to cable providers.

Net sales from the retail lines (One For All(R) international, Eversafe and direct import) for the first half of 2000 increased 9.6% to $11.3 million from $10.3 million for the same period last year. The increase is attributable to the continued growth in universal remote control business in Europe.

Gross margins for the first six months of 2000 were 41.5% compared to 39.9% for the same period last year. The gross margin was higher due to the higher margins associated with the introduction of new products to new and existing customers during the first half of 2000.

Selling, general and administrative expenses increased to $16.3 million in the first half of 2000, compared to $14.6 million in the first half of 1999. The increase was attributable to increased delivery and freight, depreciation expense, increased payroll costs due to additional hiring of personnel associated with technology development and sales, overall increases in payroll and bonus related costs, and increased professional fees associated with the Company's corporate development activity including evaluation of acquisition candidates, partially offset by lower bad debt expense and reduced telephone costs.

The Company recorded $507,000 of interest income for the first half of 2000 compared to $5,000 of interest expense (net) for the same period in 1999. This difference was a result of the absence of borrowing under the Company's revolving credit agreement during the first half of 2000 and interest earned on accumulated cash balances in 2000.

The Company recorded income tax expense of $2.2 million for the first half of 2000 compared to approximately $1.1 million for the same period of 1999. The increase was due to improved results in 2000. The Company's effective tax rate was constant at 41% for the first half of 2000 and for the corresponding period in 1999.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal sources of funds are its operations and bank credit facilities. Cash provided by operating activities for the six months ended June 30, 2000 was $3.1 million compared to cash provided by operating activities of $8.1 million for the same period in 1999. The decrease in cash flow from operating activities is principally due to an increase in inventory to replenish reduced levels of safety stock and a reduction of accounts payable, partially offset by a reduction in accounts receivable due to increased collections of higher than normal year end balances during the six months ended June 30, 2000.

On October 23, 1998, the Company entered into a $15 million revolving credit agreement with Bank of America National Trust and Savings Association ("B of A"). Under the revolving credit agreement with B of A, the Company can choose from several interest rate options at its discretion. The interest rate in effect as of June 30, 2000 using the Fixed Rate option as defined in the agreement, which is intended to approximate B of A's cost of funds, plus an applicable margin, was 7.89%. The applicable margin varies with a range from 1.25% to 2.00% per annum depending on the Company's net income before interest, taxes, depreciation and amortization. At June 30, 2000, the applicable margin was 1.25 percent. The revolving credit facility, which expires on October 23, 2001, is secured by a first priority security interest in the Company's cash and cash equivalents, accounts receivable, inventory, equipment, and general intangibles of the Company. The Company pays a commitment fee of a maximum rate of 3/16 of 1% per year on the unused portion of the credit line. Under the terms of this revolving credit agreement, the Company's ability to pay cash dividends on its common stock is restricted and the Company is subject to certain financial covenants and other restrictions that are standard for these types of agreements. 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, since the date of this agreement, the Company has acquired approximately 109,000 shares of stock, at a cost of approximately $564,500, which it holds as treasury shares and are available for reissue by the Company. Amounts available for borrowing under this credit facility are reduced by the outstanding balance of the Company's import letters of credit. As of June 30, 2000, no amounts were outstanding under this credit facility. The Company had no outstanding import letters of credit as of June 30, 2000.

There were no open market purchases of the Company's common stock in 2000 or 1999 under a program announced in 1996. The Company holds shares purchased on the open market as treasury stock and they 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 although the Company may change these plans if necessary to fulfill its on-going business objectives. In addition, during the six months ended June 30, 2000, the Company received proceeds of approximately $459,000 from the exercise of stock options granted to the Company's current and former employees, as compared to approximately $2,106,000 during the same period in 1999.

Capital expenditures in the first half of 2000 and 1999 were approximately $986,000 and $620,000, respectively. These expenditures related primarily to the acquisition of product tooling.

During the first quarter of 1998, the Company acquired a remote control distributor in the United Kingdom for $3.0 million in cash, of which $1.7 million was paid in 1998 and the remaining $1.3 million was paid in 1999. $800,000 of the $1.3 million was paid during the first quarter of 1999.

Effective July 1, 1999, the Company acquired a remote control distributor in Spain for $750,000. The acquisition was paid for in June and recorded as a prepaid asset in the June 30, 1999 balance sheet.

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 current business operations as well as anticipated growth at least through the end of 2000, however, there can be no assurances that this will occur.

RISK FACTORS

Forward Looking Statements

The Company cautions that the following important factors, among others (including but not limited to factors discussed below, in the "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as those discussed elsewhere in this Quarterly Report on Form 10-Q, and as mentioned from time to time in the Company's other reports filed with the Securities and Exchange Commission), could affect the Company's actual results and could cause or contribute to 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.

While management believes that the forward looking statements made in this report are based on reasonable assumptions, the actual outcome of such statements is subject to a number of risks and uncertainties, including continued acceptance of the Company's technology and products, the impact of competitive pressures, including products and pricing, locating and finalizing acceptable acquisition targets and/or strategic partners, the availability of financing for acquisitions on terms acceptable to the Company, fluctuations in currency exchange rates, the consolidation of and new competition experienced by members in the cable industry, principally from satellite and other similar broadcast providers, general economic and stock market conditions and other risks which are otherwise set forth in this Quarterly Report on Form 10-Q and the Company's other filings with the Securities and Exchange Commission.

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 wireless control products, and certain other components used in the Company's products, from two main sources, each of which provide in excess of ten percent (10%) of the Company's microprocessors for use in its products. The Company has 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, shortage or termination in the supply of any of the components used in the Company's products, or a reduction in their quality or reliability, or a significant increase in prices of components, 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 all of the Company's wireless 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 effect 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 and the loss or acquisition of any significant customers. In addition, historically the Company's business 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 adversely 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 effected.

The Company may 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, the loss or acquisition of any significant customers, 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 customers and products sold, component pricing, mix of international and domestic 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 effected.

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 fluctuations 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. Moreover, the Company cautions that any increases in sales or growth in revenue or increases in its gross margins that it achieves may be transitory and should by no means be construed to mean that such increases or growth will continue.

Dependence Upon Timely Product Introduction

The Company's ability to remain competitive in the wireless 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 wireless control products and proprietary technologies to private label customers, original equipment manufacturers ("OEMs"), and companies involved in the subscription broadcasting 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 Europe, Australia, New Zealand, Mexico and selected countries in Asia and Latin America currently representing the Company's principal foreign markets. In 1999, the Company lost a significant customer in its subscription broadcasting business due to that customer being acquired by a third party. During 1999, the Company had two customers that acquired more than ten percent of the Company's products and the loss of either of these customers or any of the Company's other key customers either in the United States or abroad due to the financial weakness or bankruptcy of any such customer or the inability of the Company to obtain orders or maintain its order volume with its major customers may have an adverse effect on the Company's financial condition or results of operations.

Competition

The wireless 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.

Potential for Litigation

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.

Effects on the Company Due to International Operations

By operating its business in countries outside of the United States, the Company is exposed 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. These risks are 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 effect on the Company's international operations, and consequently on the Company's business, operating results and financial condition. While the Company will continue to work toward minimizing any adverse effects of conducting its business abroad, no assurance can be made that the Company will be successful in minimizing any such effects.

OUTLOOK

The Company's focus in 2000 is to continue to seek ways to increase its customer base worldwide, particularly in the areas of subscription broadcasting, OEM, and its One For All international retail business. In addition, the Company will increase its focus on creating new applications for its proprietary and/or patented technologies in the consumer electronics/OEM market, and computer/internet control markets.

The Company will also continue in 2000 to control its overall cost of doing business. Management believes that through product design changes and its purchasing efforts, improvements in the Company's gross margins and efficiencies in its selling, general and administrative expenses can be accomplished, although there can be no assurances that there will be any improvements to the Company's gross margin or that the Company will achieve any cost savings through these efforts and if obtained, that any such improvements or savings will be significant or maintained.

In addition, during 2000, management will continue to pursue its overall strategy of seeking out ways to operate all aspects of the Company more profitably. This strategy will include looking at acceptable acquisition targets and strategic partnership opportunities. The Company cautions, however, that no assurances can be made that any suitable acquisition targets or partnership opportunities will be identified and, if identified, that a transaction can be consummated. Moreover, if consummated, no assurances can be made that any such acquisition or partnership will profitably add to the Company's operations.

While management believes that the forward looking statements made in this report are based on reasonable assumptions, the actual outcome of such statements is subject to a number of risks and uncertainties, including continued acceptance of the Company's technology and products, the impact of competitive pressures, including products and pricing, locating and finalizing acceptable acquisition targets and/or strategic partners, the availability of financing for acquisitions on terms acceptable to the Company, fluctuations in currency exchange rates, the consolidation of and new competition experienced by members in the cable industry, principally from satellite and other similar broadcast providers, general economic and stock market conditions and other risks which are otherwise set forth in this Quarterly Report on Form 10-Q and the Company's other filings with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to various market risks, including interest rate and foreign currency exchange rate fluctuations. The Company has established policies, procedures and internal processes governing its management of market risks and the use of financial instruments to manage its exposure to such risks. The interest payable under the Company's revolving credit agreement with its bank is variable and generally based on either the bank's cost of funds, or the IBOR rate, and is affected by changes in market interest rates. At June 30, 2000, the Company had no borrowings on its credit line. The interest rate in effect on the credit line using the bank's cost of funds rate as the base as of June 30, 2000 was 7.89%. The Company has wholly owned subsidiaries in the Netherlands, United Kingdom, Germany and Spain. Sales from these operations are typically denominated in local currencies including Euros, British Pounds, German Marks, and Spanish Pesetas thereby creating exposures to changes in exchange rates. Changes in the local currencies/U.S. Dollars exchange rate may positively or negatively affect the Company's sales, gross margins and retained earnings. The Company, from time to time, enters into foreign currency exchange agreements to manage its exposure arising from fluctuating exchange rates related to specific transactions, primarily foreign currency forward contracts for inventory purchases. The Company had a number of forward exchange contracts outstanding at June 30, 2000 with an aggregate notional value of approximately $8.0 million. The Company does not enter into any derivative transactions for speculative purposes. The sensitivity of earnings and cash flows to variability in exchange rates is assessed by applying an approximate range of potential rate fluctuations to the Company's assets, obligations and projected results of operations denominated in foreign currencies. Based on the Company's overall foreign currency rate exposure at June 30, 2000, the Company believes that movements in foreign currency rates should not materially affect the financial position of the Company, although no assurance can be made that any such foreign currency rate movements in the future will not have a material effect.

PART II. OTHER INFORMATION

ITEM 2(a). CHANGES IN DOCUMENTS DEFINING RIGHTS OF REGISTERED SECURITIES

An amendment to the Company's Restated Certificate of Incorporation to increase the number of shares of stock the Company has authority to issue from 21,000,000 shares (consisting of an initial authorization of 1,000,000 shares of Preferred Stock, par value $.01 per share and 20,000,000 shares of Common Stock, par value $.01 per share) to 55,000,000 shares (consisting of 5,000,000 shares of Preferred Stock, par value $.01 per share and 50,000,000 shares of Common Stock, par value $.01 per share) was approved by stockholders at the Annual Meeting of Stockholders held on June 21, 2000. A certificate of amendment was filed with the State of Delaware, Office of the Secretary of State on July 26, 2000.

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

The Company's Annual Meeting of Stockholders' was held on June 21, 2000. 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	12,421,191	483,704
Camille Jayne	11,421,307	1,483,588
Nominee - Class II Directors		
David Beddow	12,427,641	477,254
Bruce Henderson	12,429,291	475,604
William C. Mulligan	12,429,291	475,604
J.C. Sparkman	12,422,091	482,804

Proposal Two: The approval of the amendment to Universal Electronics Inc. Restated Certificate of Incorporation

In Favor	Opposed	Abstained	Broker Non-Vote
10,026,384	2,648,671	229,840	0

Proposal Three: The ratification of the approval of PricewaterhouseCoopers LLP as the Company's independent auditors for the year ending December 31, 2000

In Favor	Opposed	Abstained	Broker Non-Vote
12,733,848	90,602	80,442	0

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

		Page
(A)	Exhibits 11.1 Statements re: Computation of Per Share Earnings (filed herewith)	18
(B)	Reports on Form 8-K	
	There were no reports on Forms 8-K filed during the quarter ended June 30, 2000.	
(C)	Exhibit 27 Financial Data Schedule	19

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, 2000 \s\ Mark Belzowski

Mark Belzowski
Vice President and Chief Financial Officer

Exhibit 11.1

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

	Three Months Ended June 30, 2000	1999	Six Months Ended June 30, 2000	1999
Common stock outstanding beginning of period	13,735,273	13,034,004	13,664,920	12,794,004
Weighted average common stock outstanding from exercise of stock options, treasury stock purchases and employee benefit plan	8,094	228,138	52,239	334,286
Weighted average common stock outstanding	13,743,367	13,262,142	13,717,159	13,128,290
Stock options	1,322,833	849,614	1,345,640	637,900
Weighted average common stock and common stock equivalents outstanding	15,066,200	14,111,756	15,062,799	13,766,190
Net income attributable to common stockholders	$ 2,144,411	$ 1,199,413	$ 3,178,846	$ 1,648,176
Net income per common stock and common stock equivalents:				
Basic	$ 0.16	$ 0.09	$ 0.23	$ 0.13
Diluted	$ 0.14	$ 0.08	$ 0.21	$ 0.12

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6-MOS
DEC-31-2000
JAN-01-2000
JUN-30-2000
15,670
0
23,719
(1,833)
20,225
63,327
11,418
(8,050)
73,633
11,227
0
0
0
154
62,043
73,633
50,955
50,955
29,823
16,304
(53)
0
(507)
5,388
2,209
3,179
0
0
0
3,179
.23
.21