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CLEARONE COMMUNICATIONS INC  
Form 8-K  
April 23, 2002

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 23, 2002

ClearOne Communications Inc.  
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(Exact Name of Registrant as Specified in its Charter)

UTAH	0-17219	87-0398877
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

1825 Research Way, Salt Lake City, Utah 84119  
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(Address of Principal Executive Offices) (Zip Code)

(801) 975-7200  
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(Registrant's Telephone Number, Including Area Code)

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(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events.

On April 23, 2002, ClearOne Communications Inc., (the "Company" or "ClearOne"), issued a press release reporting the Company's financial results for the fiscal quarter ended March 31, 2002. Set forth below is certain financial information reported by ClearOne in the press release.

Financial Highlights From Continuing Operations  
(unaudited)

	Three Months Ended		
	3/31/02	3/31/01	Change
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Sales	\$	14,171,156	\$	10,212,333	+39%
Net income	\$	2,070,946	\$	1,359,032	+52%
Diluted earnings per share	\$	0.20	\$	0.15	+33%

	Nine Months Ended		
	3/31/02	3/31/01	Change
Sales	\$ 37,973,838	\$ 29,225,712	+30%
Net income	\$ 4,974,533	\$ 3,905,397	+27%
Diluted earnings per share	\$ 0.51	\$ 0.43	+19%

For the third quarter ended March 31, 2002, ClearOne reported net income from continuing operations of \$2.1 million, or \$0.20 per fully diluted share, on sales of \$14.2 million. This represents a 52 percent increase in net income and a 39 percent increase in sales over the same quarter last year, for which the company reported net income from continuing operations of \$1.4 million, or \$0.15 per fully diluted share, on sales of \$10.2 million. Gross margins for the quarter were 61 percent compared to 58 percent for the same quarter last year.

For the first nine months of fiscal 2002, ClearOne reported net income from continuing operations of \$5.0 million, or \$0.51 per fully diluted share, on sales of \$38.0 million. Comparatively, the company reported net income from continuing operations of \$3.9 million, or \$0.43 per fully diluted share, on sales of \$29.2 million for the same period last year. Year-to-date gross margins were 60 percent, up slightly from 59 percent last year.

ClearOne Communications Inc.  
Condensed Statement of Continuing Operations  
(unaudited)

	Three Months Ended		Nine Months Ended
	3/31/02	3/31/01	3/31/02
Sales	\$ 14,171,156	\$ 10,212,333	\$ 37,973,838
Cost of goods sold	5,586,839	4,327,987	15,225,933
Gross profit	8,584,317	5,884,346	22,747,905
Sales & marketing expenses	2,763,581	1,932,327	7,995,734
General & administrative expenses	1,542,983	1,133,525	4,101,769
Research & development expenses	1,122,973	720,426	3,044,497
Total expenses	5,429,537	3,786,278	15,142,000
Operating Income	3,154,780	2,098,068	7,605,905
Other items	(71,370)	69,277	139,188
Income tax expense	(1,012,464)	(808,313)	(2,770,560)

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Net income	\$	2,070,946	\$	1,359,032	\$	4,974,533	\$
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Basic earnings per share	\$	0.20	\$	0.16	\$	0.54	\$
Fully diluted earnings per share	\$	0.20	\$	0.15	\$	0.51	\$
Basic shares outstanding		10,158,894		8,610,375		9,246,512	
Fully diluted shares outstanding		10,614,839		9,047,289		9,755,909	

ClearOne Communications Inc.  
Balance Sheet

		3/31/02	6/30/01
		(unaudited)	(audited)
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ASSETS			
Current assets:			
Cash and cash equivalents	\$	23,168,321	\$ 6,852,24
Accounts receivable		14,192,043	7,284,39
Inventory		5,792,134	4,132,03
Deferred taxes		246,000	247,40
Other current assets		420,868	779,64
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Total current assets		43,819,366	19,295,72
Property and equipment, net		3,992,612	3,696,61
Other assets, net		10,037,281	4,605,28
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Total assets	\$	57,849,259	\$ 27,597,62
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LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$	1,578,877	\$ 568,78
Accrued expenses		1,320,052	1,129,52
Accrued income taxes		472,192	421,74
Current portion of capital leases		60,614	181,82
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Total current liabilities		3,431,735	2,301,88
Capital lease obligations		15,772	48,22
Deferred tax liability		746,000	746,00
		-----	-----
Total liabilities		4,193,507	3,096,11
Shareholders' equity:			
Common stock		10,179	8,61
Additional paid-in capital		33,140,847	8,962,69

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Retained earnings	20,504,726	15,530,19
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Total shareholders' equity	53,655,752	24,501,51
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Total liabilities and equity	\$ 57,849,259	\$ 27,597,62
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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 hereunto duly authorized.

CLEARONE COMMUNICATIONS INC.  
(The Registrant)

By: Randall J. Wichinski

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Its: Chief Financial Officer