



January 16, 2013

ClearOne Announces the Outcome of Arbitration Proceedings

Settles with UBS Financial Services for \$45 Million

SALT LAKE CITY, Jan. 16, 2013 /PRNewswire/ -- ClearOne (NASDAQ: CLRO) previously reported in its periodic filings that it expected resolution by the end of 2012 of two pending arbitration matters concerning auction rate securities sold to ClearOne by Morgan Stanley & Co., Inc. ("Morgan Stanley", NYSE: MS) and UBS Financial Services, Inc. ("UBS", NYSE: UBS). ClearOne has determined the outcome of both matters, involving substantially identical claims against two different parties, effective January 14, 2013.

With respect to the Morgan Stanley arbitration, the arbitration panel denied ClearOne's claims in their entirety.

With respect to the UBS arbitration under a different panel ClearOne has settled its dispute for a total amount of Forty-Five Million Dollars (\$45,000,000), effective December 10, 2012. The settlement agreement was subject to a confidentiality provision pending resolution of the Morgan Stanley arbitration matter described immediately above. The settlement award is subject to a 15% contingency legal fee payable to ClearOne's litigation counsel. The UBS settlement proceeds have been held in a trust account pending resolution of the Morgan Stanley matter and will be disbursed to ClearOne shortly, with interest, less the contingency fee paid to ClearOne's legal counsel.

"We are pleased the litigation surrounding auction rate securities has been settled in favor of ClearOne," said Zee Hakimoglu, President, Chief Executive Officer and Chairman of ClearOne. "We will carefully evaluate over time, opportunities available to us and use the cash for selective infusions of technology, sales & marketing, infrastructure, and other investments to fuel our growth, as well as acquisitions that may strategically fit our business and are accretive to our performance."

About ClearOne

ClearOne is a global company that designs, develops and sells conferencing, collaboration, streaming and digital signage solutions for audio, video and data multimedia communication. The performance and simplicity of its advanced comprehensive solutions enhance the quality of life. ClearOne products are designed for business and residential use, offering unprecedented levels of functionality, reliability and scalability. More information about the company can be found at www.clearone.com.

This release contains "forward-looking" statements that are based on present circumstances and on ClearOne's predictions with respect to events that have not occurred, that may not occur, or that may occur with different consequences and timing than those now assumed or anticipated. Such forward-looking statements, including the successful commercialization of expected future product launches and any statements of the plans and objectives of management for future operations, are not guarantees of future performance or results and involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements. Such forward-looking statements are made only as of the date of this release and ClearOne assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances. Readers should not place undue reliance on these forward-looking statements.

<http://investors.clearone.com>

Contact:

Brent Johnson
Investor Relations
801-303-3577
brent.johnson@clearone.com

SOURCE ClearOne

News Provided by Acquire Media