

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name DTS, Inc. as Successor to SRS Labs, Inc.		2 Issuer's employer identification number (EIN) 77-0467655	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact (818) 436-1000	5 Email address of contact investor@dts.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 5220 Las Virgenes Road		7 City, town, or post office, state, and Zip code of contact Calabasas, CA 91302	
8 Date of action 07/20/2012	9 Classification and description Common Stock		
10 CUSIP number 78464M106	11 Serial number(s)	12 Ticker symbol SRSL	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On July 20, 2012, SRS Labs, Inc. ("SRS") was acquired by DTS LLC, a wholly owned subsidiary of DTS, Inc. ("DTS") in a series of transactions that were intended to constitute a reorganization under Section 368(a)(1)(A) of the Internal Revenue Code. Each SRS shareholder was entitled to elect to receive consideration for SRS shares under a Stock Election or a Cash Election. Because the cash election was oversubscribed, each SRS shareholder was subject to a proration adjustment under which they received approximately 56.87% cash and 43.13% stock. Additional cash for fractional shares may also have been issued.

Additional information about the SRS acquisition, including the proxy statement and final prospectus as filed by DTS with the Securities and Exchange Commission, is available at: <http://sec.gov/Archives/edgar/data/1226308/000104746912006783/a2210005z424b3.htm>

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ _____

See attached Statement A.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ _____

See attached Statement B.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

Section 368(a). Definitions relating to corporate reorganizations _____

Section 354(a). Exchange of stock and securities in certain reorganizations _____

Section 356(a). Receipt of additional consideration _____

Section 358(a). Basis to distributees _____

Section 1001(a). Determination of amount of and recognition of gain or loss _____

18 Can any resulting loss be recognized? ▶ In general, no loss may be recognized by a SRS shareholder making a Stock Election, but could be recognized by a SRS shareholder making a Cash Election. Gain or loss is also generally recognized with respect to cash received in lieu of fractional shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 is the reportable tax year for any and all calendar year taxpayers.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 8/3/12
Print your name ▶ Melvin L. Flanigan, CFO Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.



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STATEMENT A

DTS, INC. AS SUCCESSOR TO SRS LABS, INC. EIN#: 77-0467655

DTS paid consideration intended to reflect a value, determined as of the time of signing of the acquisition agreement, of \$9.50 for each share of SRS common stock, payable at the election of each SRS shareholder under a Cash Election or a Stock Election.

SRS shareholders who chose the Cash election received \$9.50 per share in cash for each SRS share tendered, subject to a proration adjustment. The proration adjustment converted each SRS share into approximately 56.87% Cash and 43.13% Stock. Additional cash for fractional shares may have been received.

SRS shareholders who chose the Stock Election received 0.31127 of a share of DTS common stock, in exchange for each SRS share tendered. Additional cash for fractional shares may have been received.

SRS shareholders who exchanged SRS common stock for a combination of DTS common stock and cash generally recognized gain, but not loss, in such exchange. The gain, if any, recognized with respect to each share of SRS common stock equaled the lesser of (a) the per share amount of cash received in the transaction and (b) the per share amount of gain realized in the transaction. The per share amount of gain that was realized in the exchange equaled the excess of (i) the per share sum of the cash plus the fair market value of the DTS common stock, including any fractional share of DTS common stock, received in the exchange over (ii) the tax basis of the SRS share surrendered in the exchange. The per share fair market value of the DTS common stock as of the date of the acquisition, based on the closing price of the DTS common stock on the NASDAQ Global Select Market on July 20, 2012, was \$19.32. The tax basis of the DTS common stock received (including the basis in any fractional share sold for cash) in exchange for each SRS share that was exchanged for a combination of DTS common stock and cash equaled the tax basis in the SRS share surrendered, decreased by the amount of cash received and increased by the amount of gain, if any, recognized.

Tax consequences may vary based on individual circumstances and each SRS shareholder should read the discussion under "Material United States Federal Income Tax Consequences" in the proxy statement filed with the SEC and should consult its own tax advisor for a full understanding of the tax consequences to such SRS shareholder based on such SRS shareholder's particular circumstances.



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STATEMENT B

DTS, INC. AS SUCCESSOR TO SRS LABS, INC. EIN#: 77-0467655

SRS shareholders who exchanged SRS common stock for a combination of DTS common stock and cash generally recognized gain, but not loss, in such exchange. The gain, if any, recognized with respect to each share of SRS common stock equaled the lesser of (a) the per share amount of cash received in the transaction and (b) the per share amount of gain realized in the transaction. The per share amount of gain that was realized in the exchange equaled the excess of (i) the per share sum of the cash plus the fair market value of the DTS common stock, including any fractional share of DTS common stock, received in the exchange over (ii) the tax basis of the SRS share surrendered in the exchange. The per share fair market value of the DTS common stock as of the date of the acquisition, based on the closing price of the DTS common stock on the NASDAQ Global Select Market on July 20, 2012, was \$19.32.

The adjusted tax basis of the DTS common stock received (including the basis in any fractional share sold for cash) in exchange for each SRS share that was exchanged for a combination of DTS common stock and cash equaled the tax basis in the SRS share surrendered, decreased by the amount of cash received and increased by the amount of gain, if any, recognized.

Tax consequences may vary based on individual circumstances and each SRS shareholder should read the discussion under "Material United States Federal Income Tax Consequences" in the proxy statement filed with the SEC and should consult its own tax advisor for a full understanding of the tax consequences to such SRS shareholder based on such SRS shareholder's particular circumstances.