

**UNITED STATES
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 30, 2015

PIXELWORKS, INC.

(Exact name of registrant as specified in its charter)

OREGON
(State or other jurisdiction of
incorporation)

000-30269
(Commission File Number)

91-1761992
(I.R.S. Employer
Identification No.)

224 Airport Parkway, Suite 400
San Jose, CA 95110
(408) 200-9200
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On April 30, 2015, Pixelworks, Inc. (the "Company") issued a press release announcing financial results for the three month period ended March 31, 2015 and held a conference call to discuss the Company's financial results. The press release and conference call contain forward-looking statements regarding the Company, and include cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

The press release issued April 30, 2015 is furnished herewith as Exhibit 99.1, to this Report and a copy of the Company's conference call script announcing these financial results is furnished herewith as Exhibit 99.2. The information in this Item 2.02, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that Section, nor shall such information be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release issued by Pixelworks, Inc. dated April 30, 2015.
99.2	Pixelworks, Inc. First Quarter Results Conference Call Script dated April 30, 2015.

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 hereunto duly authorized.

PIXELWORKS, INC.
(Registrant)

Dated: April 30, 2015

/s/ Steven L. Moore

Steven L. Moore
*Vice President, Chief Financial
Officer, Secretary and Treasurer*

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release issued by Pixelworks, Inc. dated April 30, 2015.
99.2	Pixelworks, Inc. First Quarter Results Conference Call Script dated April 30, 2015.



Pixelworks Reports First Quarter 2015 Financial Results

SAN JOSE, Calif., April 30, 2015 -- Pixelworks, Inc. (NASDAQ: PXLW), an innovative provider of video display processing technology enabling the highest quality viewing experience for displays of all sizes, today announced financial results for the first quarter ended March 31, 2015.

For the first quarter of 2015, revenue was \$14.4 million, compared to \$15.1 million in the prior quarter and \$13.5 million in the first quarter of 2014. The year-over-year increase in revenue was primarily driven by 35 percent growth in chip revenue, reflecting market share gains in the projector market.

On a GAAP basis, gross profit margin in the first quarter of 2015 was 48.4%, compared to 50.0% in the fourth quarter of 2014 and 59.0% in the first quarter of 2014. First quarter 2015 GAAP operating expenses were \$10.2 million, compared to \$10.2 million in the previous quarter and \$10.4 million in the first quarter of 2014.

For the first quarter of 2015, the Company recorded a GAAP net loss of \$3.4 million, or \$0.14 per share, compared to a GAAP net loss of \$2.8 million, or \$0.12 per share, in the fourth quarter of 2014 and GAAP net loss of \$2.5 million, or \$0.11 per share, in the first quarter of 2014.

On a non-GAAP basis, first quarter 2015 gross profit margin was 48.8%, compared to 50.3% in the fourth quarter of 2014 and 60.1% in the first quarter of 2014. First quarter 2015 gross margin was lower compared to the year-ago quarter as a result of a higher percentage of chip revenue. First quarter 2015 operating expenses on a non-GAAP basis were \$9.2 million, compared to \$8.8 million in the previous quarter and \$8.8 million in the first quarter of 2014.

For the first quarter of 2015, the Company recorded a non-GAAP net loss of \$2.3 million, or \$0.10 per share, compared to a non-GAAP net loss of \$1.4 million, or \$0.06 per share, in the fourth quarter of 2014 and non-GAAP net loss of \$0.8 million, or \$0.04 per share, in the first quarter of 2014. Adjusted EBITDA in the first quarter of 2015 was a negative \$1.1 million, compared to a negative \$0.1 million in the previous quarter and a positive \$0.5 million in the first quarter of 2014.

"First quarter revenue was higher year-over-year, led by significant growth in chip revenue, which increased 35% over Q1 2014," said Bruce Walicek, President and CEO of Pixelworks. "Most notable during the quarter, we made significant progress with our mobile initiative and saw increasing traction with an expanding set of design wins. Additionally, we are currently on track to introduce and sample our second chip in the Iris family later this quarter, and we expect to reach mass production on the Iris family before year-end. I'm very pleased with our continued progress and remain confident that Pixelworks is well positioned to capitalize on the growing importance of video quality across all displays."

The Company will discuss the details of its business outlook for the second quarter of 2015 during its conference call scheduled for today, April 30, 2015, at 2:00 p.m. Pacific Time.

Conference Call Information

Pixelworks will host a conference call today at 2:00 p.m. Pacific Time, which can be accessed by calling 877-359-9508 and using passcode 21540819. A Web broadcast of the call can be accessed by visiting the Company's investor page at www.pixelworks.com. For those unable to listen to the live Web broadcast, it will be archived for approximately 30 days. A replay of the conference call will also be available through Thursday, May 7, 2015, and can be accessed by calling 855-859-2056 and using passcode 21540819.

About Pixelworks, Inc.

Pixelworks creates, develops and markets video display processing technology for digital video applications that demand the very highest quality images. At design centers around the world, Pixelworks engineers constantly push video performance to keep manufacturers of consumer electronics and professional displays worldwide on the leading edge. The company is headquartered in San Jose, CA.

For more information, please visit the company's Web site at www.pixelworks.com.

Note: Pixelworks and the Pixelworks logo are registered trademarks of Pixelworks, Inc.

Non-GAAP Financial Measures

This earnings release makes reference to non-GAAP gross profit margins, non-GAAP operating expenses, non-GAAP net loss and non-GAAP net loss per share, which excludes stock-based compensation expense and additional amortization of a non-cancelable prepaid royalty, which are required under GAAP. The press release also reconciles GAAP net loss and adjusted EBITDA, which Pixelworks defines as GAAP net loss before interest expense and other, net, income tax provision, depreciation and amortization, as well as the specific items listed above. The Company believes these non-GAAP measures provide a meaningful perspective on the Company's core operating results and underlying cash flow dynamics, but cautions investors to consider these measures in addition to, not as a substitute for, its consolidated financial results as presented in accordance with GAAP. A reconciliation between GAAP and non-GAAP financial measures is included in this earnings release which is available in the investor relations section of the Company's website.

Safe Harbor Statement

This release contains forward-looking statements, including, without limitation, the statements in Bruce Walicek's quote with respect to the Company's growth opportunities, product shipments, product demand, customer engagements, new product introductions and the Company's potential and position for the future, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may be identified by use of terms such as "begin," "continue," "will," "believe," and similar terms or the negative of such terms. All statements other than statements of historical fact are forward-looking statements for purposes of this release, including any projections of revenue or other financial items or any statements regarding the plans and objectives of management for future operations. Such statements are based on management's current expectations, estimates and projections about the Company's business. These statements are not guarantees of future performance and involve numerous risks, uncertainties and assumptions that are difficult to predict. Actual results could vary materially from those contained in forward looking statements due to many factors, including, without limitation: our ability to deliver new products in a timely fashion; our new product yield rates;

changes in estimated product costs; product mix; supply of products from third-party foundries; failure or difficulty in achieving design wins; timely customer transition to new product designs; competitive factors, such as rival chip architectures, introduction or traction by competing designs, or pricing pressures; risks related to licensing our intellectual property; the success of our products in expanded markets; current global economic challenges; levels of inventory at distributors and customers; changes in the digital display and projection markets; changes in customer ordering patterns or lead times; seasonality in the consumer electronics market; our efforts to achieve profitability from operations; insufficient, excess or obsolete inventory and variations in inventory valuation; the outcome of any litigation related to our intellectual property rights; our limited financial resources and our ability to attract and retain key personnel. More information regarding potential factors that could affect the Company's financial results and could cause actual results to differ materially is included from time to time in the Company's Securities and Exchange Commission filings, including our Annual Report on Form 10-K for the year ended December 31, 2014 as well as subsequent SEC filings.

The forward-looking statements contained in this release speak as of the date of this release, and we do not undertake any obligation to update any such statements, whether as a result of new information, future events or otherwise.

- Financial Tables Follow -

PIXELWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Revenue, net	\$ 14,392	\$ 15,105	\$ 13,541
Cost of revenue (1)	7,425	7,546	5,546
Gross profit	6,967	7,559	7,995
Operating expenses:			
Research and development (2)	6,318	6,390	6,385
Selling, general and administrative (3)	3,887	3,776	4,049
Total operating expenses	10,205	10,166	10,434
Loss from operations	(3,238)	(2,607)	(2,439)
Interest expense and other, net	(107)	(118)	(122)
Loss before income taxes	(3,345)	(2,725)	(2,561)
Provision (benefit) for income taxes	19	46	(54)
Net loss	\$ (3,364)	\$ (2,771)	\$ (2,507)
Net loss per share - basic and diluted	\$ (0.14)	\$ (0.12)	\$ (0.11)
Weighted average shares outstanding - basic and diluted	23,328	23,175	22,204

(1) Includes:

Stock-based compensation	\$ 53	\$ 71	\$ 89
Additional amortization of non-cancelable prepaid royalty	—	(30)	56
(2) Includes stock-based compensation	489	640	826
(3) Includes stock-based compensation	536	690	788

PIXELWORKS, INC.
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL INFORMATION *
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Reconciliation of GAAP and non-GAAP gross profit			
GAAP gross profit	\$ 6,967	\$ 7,559	\$ 7,995
Stock-based compensation	53	71	89
Additional amortization of non-cancelable prepaid royalty	—	(30)	56
Total reconciling items included in cost of revenue	53	41	145

Non-GAAP gross profit	\$ 7,020	\$ 7,600	\$ 8,140
Non-GAAP gross profit margin	48.8%	50.3%	60.1%
Reconciliation of GAAP and non-GAAP operating expenses			
GAAP operating expenses	\$ 10,205	\$ 10,166	\$ 10,434
Reconciling item included in research and development:			
Stock-based compensation	489	640	826
Reconciling item included in selling, general and administrative:			
Stock-based compensation	536	690	788
Total reconciling items included in operating expenses	1,025	1,330	1,614
Non-GAAP operating expenses	\$ 9,180	\$ 8,836	\$ 8,820
Reconciliation of GAAP and non-GAAP net loss			
GAAP net loss	\$ (3,364)	\$ (2,771)	\$ (2,507)
Reconciling items included in cost of revenue	53	41	145
Reconciling items included in operating expenses	1,025	1,330	1,614
Tax effect of non-GAAP adjustments	(20)	(6)	(38)
Non-GAAP net loss	\$ (2,306)	\$ (1,406)	\$ (786)
Non-GAAP net loss per share - basic and diluted	\$ (0.10)	\$ (0.06)	\$ (0.04)
Non-GAAP weighted average shares outstanding - basic and diluted	23,328	23,175	22,204

* Our non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP operating expenses, non-GAAP net loss and non-GAAP net loss per share differs from GAAP gross profit, GAAP operating expenses, GAAP net loss and GAAP net loss per share due to the exclusion of stock-based compensation expense and additional amortization of a non-cancelable prepaid royalty. Pixelworks' management believes the presentation of non-GAAP gross profit, non-GAAP operating expenses, non-GAAP net loss and non-GAAP net loss per share provides useful information to investors regarding Pixelworks' results of operations by allowing investors to better evaluate underlying cash flow dynamics. Pixelworks' management also uses each of these non-GAAP measures internally to better evaluate underlying cash flow dynamics. Pixelworks, however, cautions investors to consider these non-GAAP financial measures in addition to, and not as a substitute for, our GAAP financial measures.

PIXELWORKS, INC.
RECONCILIATION OF GAAP AND NON-GAAP FINANCIAL INFORMATION *
(In thousands)
(Unaudited)

	Three Months Ended		
	March 31, 2015	December 31, 2014	March 31, 2014
Reconciliation of GAAP net loss and adjusted EBITDA			
GAAP net loss	\$ (3,364)	\$ (2,771)	\$ (2,507)
Stock-based compensation	1,078	1,401	1,703
Tax effect of non-GAAP adjustments	(20)	(6)	(38)
Additional amortization of non-cancelable prepaid royalty	—	(30)	56
Non-GAAP net loss	\$ (2,306)	\$ (1,406)	\$ (786)
EBITDA adjustments:			
Depreciation and amortization	\$ 1,098	\$ 1,099	\$ 1,144
Interest expense and other, net	107	118	122
Non-GAAP provision (benefit) for income taxes	39	52	(16)
Adjusted EBITDA	\$ (1,062)	\$ (137)	\$ 464

* Adjusted EBITDA differs from GAAP net loss due to the exclusion of stock-based compensation expense, additional amortization of a non-cancelable prepaid royalty, interest expense and other, net, income tax provision (benefit) and depreciation and amortization. Pixelworks' management believes the presentation of adjusted EBITDA provides useful information to investors regarding Pixelworks' results of operations by allowing investors to better evaluate underlying cash flow dynamics and core operating results and are used by Pixelworks' management for these purposes. Pixelworks, however, cautions investors to consider these non-GAAP financial measures in addition to, and not as a substitute for, our GAAP financial measures.

PIXELWORKS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,591	\$ 17,926
Accounts receivable, net	4,760	4,648
Inventories	3,295	2,898
Prepaid expenses and other current assets	900	888
Total current assets	24,546	26,360
Property and equipment, net	5,762	6,402
Other assets, net	1,211	1,382
Total assets	\$ 31,519	\$ 34,144
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,289	\$ 3,154
Accrued liabilities and current portion of long-term liabilities	9,129	8,539
Current portion of income taxes payable	168	197
Short-term line of credit	3,000	3,000
Total current liabilities	14,586	14,890
Long-term liabilities, net of current portion	1,319	1,476
Income taxes payable, net of current portion	1,966	2,094
Total liabilities	17,871	18,460
Shareholders' equity	13,648	15,684
Total liabilities and shareholders' equity	\$ 31,519	\$ 34,144

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**Pixelworks, Inc. Q1 2015 Conference Call
April 30, 2015**

Steven Moore, CFO

Good afternoon and thank you for joining us. This is Steve Moore, Chief Financial Officer of Pixelworks. With me today is Bruce Walicek, President and CEO. The purpose of today's conference call is to supplement the information provided in our press release issued earlier today announcing the Company's financial results for the first quarter ended March 31, 2015.

Before we begin, I would like to remind you that various remarks we make on this call -- including those about our projected future financial results, economic and market trends, and our competitive position -- constitute forward-looking statements. These forward-looking statements and all other statements made on this call that are not historical facts are subject to a number of risks and uncertainties that may cause actual results to differ materially.

All forward-looking statements are based on the Company's beliefs as of today, Thursday, April 30, 2015, and we undertake no obligation to update any such statements to reflect events or circumstances occurring after today. Please refer to today's press release, our Annual Report on Form 10-K for the year ended December 31, 2014, and subsequent SEC filings for a description of factors that could cause forward-looking statements to differ materially from actual results.

Additionally, the Company's press release and management's statements during this conference call will include discussions of certain measures and financial information in GAAP and non-GAAP terms, including gross margin, operating expenses, net loss, and net loss per share. These non-GAAP measures exclude stock-based compensation expense and additional amortization of a prepaid royalty. We use these non-GAAP measures internally to assess our operating performance. The Company believes these non-GAAP measures provide a meaningful perspective on our core operating results and underlying cash flow dynamics, but we caution investors to consider these measures in addition to, not as a substitute for, nor superior to, the Company's consolidated financial results as presented in accordance with GAAP.

Included in the Company's press release are definitions and reconciliations of GAAP to non-GAAP net loss and GAAP net loss to adjusted EBITDA, which provide additional details.

Bruce will begin today's call with a strategic update on the business, after which I will review our first quarter financial results, and then provide our outlook for the second quarter of 2015.

Bruce Walicek, CEO

Thanks Steve. Good afternoon everyone and thanks for joining us today.

Q1 2015 Results

- Q1 2015 results came in within the range of guidance with Revenues of \$14.4M, representing a 35% increase in chip product revenue versus Q1 2014, as product momentum continued to drive strong year-over-year growth.
- All other Non-GAAP metrics came within the range of guidance and we had great execution on our co-development project which is right on schedule.
- We made significant progress with our mobile initiative and we saw increasing market pull and design win traction.
- And while we expect to see double digit growth in our product business in 2015, the overall environment remains cautious.
- Steve will review the results of the quarter and provide the outlook for Q2 2015 later in this call.

Iris mobile video processors/ Mobile screen applications

- Q1 was a great quarter of progress as we enjoyed a very successful CES and Mobile World Congress.
- We showed how Iris brings value to mobile devices with its “True Clarity” suite of display technology enhancements that improve the overall user experience and address the major issues of mobile device picture quality:
 - The clearest, sharpest motion image;
 - The richest colors and deepest blacks;
 - Enhanced usability, which includes backlight controls for the best viewing in any light and power saving system management.
- Iris adjusts the characteristics of the content to the capabilities of the display and the way we perceive images.
- Displays using Iris can deliver their optimum performance in order to show whatever is on the screen to its best advantage and provide the best visual user experience.
- This drastically improves the clarity of the image, the device’s ease of use and enjoyment of the user.
- But just as critically, it also works at the system level, improving battery life and freeing up valuable system resources to create the optimal viewing experience.
- A concept that has been verified with customers.

Iris product line expansion

- In the second half of last year, we introduced the first device in our family of Iris chips, and it includes a complete set of features that enable Pixelworks’ full array of “True Clarity” display enhancements.
 - Additionally it also supports multiple interfaces making it compatible with today’s leading mobile applications processors as well as PC platforms based on Intel processors.
 - Iris will become a family of products that will cover a range of features and price points to cover the entire spectrum of mobile displays.
 - The market is beginning to see specialization around dimensions such as audio quality, camera and display resolution as manufacturers struggle for differentiation,
 - And the display experience is playing an increasingly important role as mobile devices are becoming the primary screen for viewing content.
-

- To address the expanding need for differentiation and segmentation.
- Later this quarter we will be sampling our next device in the Iris family of mobile video display processors.
- This device is targeted for high resolution 2K Quad HD displays based on leading mobile applications processors,
- And it includes features specifically targeted for small form factor displays in order to achieve a lower price point, while also providing lower power and next generation interface support.
- Our next chip brings True Clarity™ front-of-screen differentiation advantages so manufacturers can offer new devices that deliver an enhanced mobile viewing experience, and can differentiate their offerings on that basis.
- These products typically have higher end resolution screens and are geared for power-hungry applications such as video streaming and music, and as a result have more stringent power requirements.
- This latest chip will extend the reach of the Iris product family and give OEMs more options than ever to optimize their offerings in a range of different product segments.
- And we will be launching this product at the upcoming Computex trade show in Taipei, Taiwan later this quarter.

Iris traction

- In terms of the market acceptance we are seeing,
- The value propositions of Iris are resonating across customers and partners as the need for differentiation intensifies.
- During the quarter we saw increasing customer traction with an expanding set of design wins.
- Customer engagements and evaluations multiplied as our pipeline of design opportunities expanded substantially and we anticipate entering mass production later this year.

Pixelworks value and expertise

- Delivering great image quality is an art as well as a science, and it takes many years of providing solutions that are tested in mass production by the industry's most demanding TV customers to develop the expertise and know-how necessary.
- Leveraging a portfolio of more than 130 patents, and over 15 years of experience in the marketplace solving the most difficult video problems, we have now brought that expertise and innovation to mobile screens as well.

Large screen projected and panel applications

- In our large screen projected and panel display applications,
 - During the quarter we released the latest version of our VueMagic™ software which offers enhanced connectivity features and this quarter we will be adding support for 64-bit iOS applications as well as a new release for Android 5 (Lollipop).
 - VueMagic™ software provides wireless connectivity for mobile devices to Topaz based projectors or dongles based on Topaz chips, and adds features such as advanced content sharing capabilities.
 - There are now over 76 VueMagic™ enabled Topaz based projector models available with new ones coming from Hitachi, Panasonic, and Vivitek.
 - And this quarter, BenQ is set to release QPresenter Pro based on our VueMagic™ Mate reference platform.
 - QPresenter Pro will allow any existing projector to wireless connect to smartphones, tablets and laptops.
 - BenQ reviewed all solutions, and VueMagic™ was adopted due to its multi-screen and annotate features making it ideally suited for education and collaborative meetings.
 - Our co-development program is on track and ramping as expected and we anticipate this product will continue to ramp into 2015 and drive year on year growth.
-

- Design win momentum remains strong for our Topaz family of SoCs for projectors, and we continue to see opportunities across our families of video co-processors for large screen panels, as 4K applications broaden.

Closing summary

- In summary,
- Q1 2015 was a solid quarter of chip product growth which increased 35% over Q1 2014.
- Our co-development program for the advanced SoC for large screen applications is on track and ramping as expected.
- And while the environment remains cautious, we expect to see double digit growth in our product business in 2015.
- We had a great CES and Mobile World Congress, and significant progress on our mobile initiative and saw increasing design traction for our Iris family of mobile video processors.
- And we will be launching our next device in the Iris family of mobile display processors at the upcoming Computex Show in Taipei, Taiwan.
- Now, I'd now like to turn the call over to Steve to review the financial results of the quarter.

Steven Moore, CFO

Thank you, Bruce.

Revenue for the first quarter of 2015 was \$14.4 million, which compares to \$15.1 million in the prior quarter. Q1 total revenue was down 5% sequentially, reflecting somewhat muted demand compared to the fourth quarter of 2014. However, total revenue in first quarter was up 6% year-over-year, led by 35% growth in chip revenue.

The split of our first quarter chip revenue by market was:
87% digital projection,
13% TV and panel

Digital projection revenue was \$12.5 million, compared to \$13.4 million in the fourth quarter of 2014, and revenue from TV and panel totaled \$1.8 million in the first quarter, compared to \$1.6 million in the prior quarter.

Licensing revenue was negligible in the first quarter, compared to approximately \$200,000 in the previous quarter.

Non-GAAP gross profit margin was 48.8% in the first quarter, comparable to 50.3% in the fourth quarter of 2014.

As a reminder, Pixelworks' gross margin is subject to variability based on changes in revenue levels, recognition of license revenue, product mix, startup costs, and the timing and execution of manufacturing ramps, as well as other factors.

Non-GAAP operating expenses were \$9.2 million in the first quarter, compared to \$8.8 million in the prior quarter.

Adjusted EBITDA was a negative \$1.1 million for the first quarter, compared to a negative \$137,000 in the fourth quarter. A reconciliation of adjusted EBITDA to GAAP net loss may be found in today's press release.

On a non-GAAP basis we recorded a net loss of \$2.3 million, or loss of 10 cents per share, in the first quarter of 2015, as compared to a non-GAAP net loss of \$1.4 million, or loss of 6 cents per share, in the prior quarter.

Moving to the balance sheet, we ended the first quarter with cash and cash equivalents of approximately \$15.6 million, compared to \$17.9 million at the end of the fourth quarter. The Company has no long-term debt and similar to the previous quarter, the Company had a balance of \$3 million on its working capital line of credit.

Other balance sheet metrics include day's sales outstanding of 30 days at quarter-end, compared to 28 days at the end of the fourth quarter, and inventory turns were approximately 9.5 times compared to just over 13 times in the prior quarter.

Guidance

For the second quarter of 2015, we expect revenue to be in a range of between \$14 and \$16 million. This range reflects the continued ramp of shipments for our co-development chip, largely offset by what we believe will be a temporary shift in order patterns at other projector customers.

We expect gross profit margin for the quarter to range between 48% to 50% on a non-GAAP basis and 47% to 49% on a GAAP basis.

In terms of operating expenses, we expect the second quarter to range between \$8.5 and \$9.5 million on a non-GAAP basis, and \$9.5 to \$10.5 million on a GAAP basis.

And finally, we expect a non-GAAP second quarter net loss of between 4 and 14 cents per share; and we expect a GAAP net loss of between 9 cents and 19 cents per share.

That concludes my comments. We will now open the call for your questions.