

**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 6, 2016

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 2.05. Costs Associated with Exit or Disposal Activity.

On April 6, 2016, the Board of Directors (the “Board”) of Pixelworks, Inc. (the “Company”) committed to a restructuring plan, including an approximately 24% reduction in workforce, primarily in the areas of development, operations, sales and marketing. The Board believes adoption of this restructuring plan will help streamline the Company’s operations and product offerings, and more appropriately align the Company’s expenses with current revenue levels. The Company expects the restructuring to be substantially completed by the end of the Company’s third quarter ending September 30, 2016 and expects to incur total estimated restructuring and impairment charges of approximately \$4.4 million, including approximately \$2.7 million related to employee severance and benefits, and approximately \$1.7 million in impairment charges for the impairment of assets related to inventory and property and equipment. The Company currently expects that these charges will largely be recorded in the first quarter of 2016 and will result in cash expenditures of approximately \$2.7 million, which expenditures are expected to occur in the second quarter of 2016.

As a result of the restructuring, the Company expects to realize annualized savings of approximately \$5.0 million.

On April 7, 2016, the Company issued a press release announcing the restructuring plan. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 2.06. Material Impairments.

On April 6, 2016, the Board concluded that a material charge for impairment would be required under GAAP in connection with its decision to implement the restructuring plan as described in Item 2.05 above and incorporated by reference herein. Additionally, the information contained in Item 2.05 of this Current Report on Form 8-K relating to the charges expected to be recorded by the Company in the first quarter of 2016 as a result of the restructuring plan, including the expected impairment charge, and the Company’s estimate of cash expenditures resulting therefrom, is incorporated by reference herein.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b)

On April 6, 2016, directors Mark A. Christensen and Barry L. Cox notified the Board that each would resign, and would not stand for re-election, at the 2016 Annual Meeting of Shareholders (the “Annual Meeting”), such resignation and refusal to stand for re-election to be effective on the date of the Annual Meeting, as of immediately prior to the commencement of the Annual Meeting. Neither Mr. Christensen’s nor Mr. Cox’s decisions were the result of any disagreement with the Company or the Board.

(d)

On April 6, 2016, the Board elected Todd A. DeBonis, the Company’s Chief Operating Officer, to the Board as a Class II Director, to serve until the earliest of the next annual meeting of shareholders, a successor being elected and qualified, or his resignation, death or removal. Mr. DeBonis, as a management director, will not receive any additional compensation for his service on the Board, nor serve on any Board committees.

On April 7, 2016, the Company issued a press release announcing the appointment of Mr. DeBonis to the Board. The full text of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Item 8.01. Other Events.

On April 6, 2016, the Board set May 11, 2016 as the date for the Annual Meeting.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 99.1 Press Release of Pixelworks, Inc. dated April 7, 2016
- 99.2 Press Release of Pixelworks, Inc. dated April 7, 2016

Forward-Looking Statements:

This Current Report on Form 8-K contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include terms such as “expects”, “will,” “estimates,” and similar expressions and include statements regarding the Company’s restructuring plan, its expectations and estimates regarding the workforce reduction, the objectives of the restructuring plan and the timing thereof, amounts and timing of the charges, cash expenditures and savings to be incurred in connection with the restructuring plan, and the potential impact of the restructuring plan. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. Potential risks and uncertainties that could cause actual results to differ from expected results include, among others, whether the Company will be able to implement the restructuring program as planned, whether additional measures outside those set forth herein will need to be taken to fulfill the objectives of the restructuring plan, whether the expected amount of the costs associated with the restructuring program will differ from or exceed the Company’s forecasts and whether the Company will be able to realize the full amount of estimated savings from the restructuring program or in the timeframe expected. It is not possible to predict or identify all risks and uncertainties, and additional significant risks and uncertainties are described in the Company’s Form 10-K, Form 10-Q and Form 8-K reports filed with the Securities and Exchange Commission. The reader should not place undue reliance on forward-looking statements, which speak only as of the date they are first made. Except to the extent required by law, the Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

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 7, 2016

/s/ Steven L. Moore

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

EXHIBIT INDEX

- 99.1 Press Release of Pixelworks, Inc. dated April 7, 2016
- 99.2 Press Release of Pixelworks, Inc. dated April 7, 2016



Pixelworks Implements Restructuring to Accelerate Achievement of Cash Flow Breakeven

Announces Preliminary First Quarter 2016 Revenue of \$11.1 Million

San Jose, CA, April 7, 2016 -- Pixelworks, Inc. (NASDAQ: PXLW), an innovative provider of video display processing technology, today announced a restructuring to streamline its product offerings and organization, including an approximately 24% reduction in workforce, in the areas of development, operations, sales and marketing. Pixelworks expects the restructuring to result in annualized savings of at least \$5.0 million.

Stephen Domenik, Pixelworks' interim CEO, commented, "The purpose of today's announced restructuring is twofold: the first objective being to streamline the organization and our offerings, while also intensifying the Company's focus and resources on opportunities with the largest potential impact. We remain fully committed to executing on our mobile strategy and maintaining our existing projector business. The actions we have taken today will provide for a significantly more optimized and targeted approach in each business going forward."

"The second objective of today's restructuring and workforce reduction is to more appropriately align the Company's expenses with current revenue levels," continued Mr. Domenik. "More specifically, we expect that our improved cost structure combined with revenue growth for the balance of the year will enable the Company to achieve cash flow breakeven by the fourth quarter. Collectively, I strongly believe these two objectives are essential to Pixelworks' future success as well as generating the greatest value for its shareholders."

The Company expects to incur total charges of approximately \$4.4 million related to asset disposal costs and employee severance and benefits, which will largely be recorded in the first quarter of 2016. Pixelworks expects the restructuring to be substantially completed by the end of its third quarter ending September 30, 2016.

Preliminary First Quarter 2016 Results

The Company also reported preliminary first quarter 2016 results with revenue of approximately \$11.1 million. First quarter GAAP net loss per share excluding anticipated charges of \$4.2 million, or \$0.15 per share, is expected to be within the Company's original quarterly guidance range of a net loss between \$0.16 and \$0.23 per share. The Company notes, these results are preliminary and subject to adjustment during the standard accounting close process.

Pixelworks will report its complete first quarter 2016 results and provide additional details related to today's announcement as part of its quarterly earnings conference call, which is currently scheduled for Thursday, April 28th at 2:00 p.m. Pacific Time.

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.

Safe Harbor Statement

This release contains forward-looking statements 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," "expect", "believe," and similar terms or the negative of such terms, and include, without limitation, the restructuring and reduction in workforce and the impact thereof, the charges and cash expenditures and timing related thereto, the annual savings as a result of the restructuring and the effect on the Company's strategy, business and approach, the Company's expectations regarding the achievement of cash flow breakeven and the timing thereof, and the preliminary first quarter 2016 results, including revenue and GAAP net loss per share. 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: whether the Company will be able to implement the restructuring program as planned, whether the expected amount of the costs associated with the restructuring program will differ from or exceed the Company's estimates and whether the Company will be able to realize the full amount of estimated savings from the restructuring program or within the timeframe expected; our ability to execute on our strategy; competitive factors, such as rival chip architectures, introduction or traction by competing designs, or pricing pressures; the success of our products in expanded markets; current global economic challenges; changes in the digital display and projection markets; seasonality in the consumer electronics market; our efforts to achieve profitability from operations; 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 from those discussed in the forward-looking statements 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, 2015 as well as subsequent SEC filings.

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

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Pixelworks Announces Changes to Board of Directors

San Jose, CA, April 7, 2016 -- Pixelworks, Inc. (NASDAQ: PXLW), an innovative provider of video display processing technology, today announced changes to the board of directors in conjunction with its planned restructuring. Todd DeBonis has been appointed to the Company's board as a director, effective immediately, and Mark A. Christensen and Barry L. Cox have notified the board that they will have resigned and will not stand for re-election effective immediately prior to Pixelworks' upcoming Annual Meeting of Shareholders on May 11, 2016. As a result of these changes, immediately prior to the start of the Annual Meeting of Shareholders, Pixelworks' board of directors will be reduced from seven members to six.

"On behalf of the Board and the entire organization, I would like to thank both Mark and Barry for their service and contribution to Pixelworks. I have personally enjoyed working with them as fellow board members," stated Richard Sanquini, chairman of Pixelworks' board. "Additionally, I would like to welcome Todd DeBonis to the board of directors. Todd's prior roles at global organizations, and particularly his experience in the mobile market, will be highly beneficial to the board and future direction of Pixelworks."

Mr. Sanquini concluded, "We believe the reduction in the number of board members, which will occur in May, more appropriately aligns to a company of our size and is consistent with today's restructuring announcement to streamline the organization and reduce expenses across the Company. Moreover, we believe the collective changes announced today represent prudent actions that will lead to significant improvement in Pixelworks' near- and long-term results."

About Todd DeBonis

Todd DeBonis currently serves as Pixelworks' Chief Operating Officer, having previously served as the Company's Executive Vice President, Sales, Marketing & Business Development from January 2016 to February 2016. Prior to joining Pixelworks, Mr. DeBonis served as the Vice President of Global Sales & Strategic Development at TriQuint Semiconductor, a semiconductor company, from April 2004 to December 2015, where his responsibilities included global sales, business development, strategic planning, customer support, contract negotiation and corporate marketing. Prior to TriQuint, Mr. DeBonis served as Vice President of Worldwide Sales & Marketing at Centillium Communications, a designer, developer and supplier of integrated programmable SoC solutions, Vice President of Worldwide Sales of Ishoni Networks, a silicon and software solution provider, and also held executive positions at Infineon Technologies, VisCom Corporation and Electec SoCal. Mr. DeBonis also serves on the Board of Directors of Poet Technologies Inc. (TSX VENTURE: PTK). Mr. DeBonis received a B.S. in Electrical Engineering with a focus in digital design and control systems from the University of Nevada.

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