MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by. Welcome to the Cirrus Logic First Quarter Fiscal year 2015 Financial Results Q&A Session. At this time all participants are in a listen-only mode. [Operator Instructions] As a reminder, this conference call is being recorded for replay purposes.

I would now like to turn the conference call over to Mr. Thurman Case, Chief Financial Officer. Mr. Case, you may begin.

Thurman K. Case, Chief Financial Officer, Vice President of Finance and Treasurer

Thank you and good afternoon. Joining me on today's call is Jason Rhode, Cirrus Logic's President and Chief Executive Officer; and Chelsea Heffernan from our Investor Relations' team.

Today we announced our financial results for the first quarter fiscal year 2015 at approximately 4 p.m. Eastern. The shareholder letter discussing our financial results, the earnings press release including a reconciliation of non-GAAP financial information to the most directly comparable GAAP information along with the webcast of this Q&A session are all available at the company's Investor Relations' website at investor.cirrus.com.

This call will feature questions from the analysts covering our company as well as questions submitted to us via email at investor.relations@cirrus.com.

Please note that during this session we may make projections and other forward-looking statements that are subject to risks and uncertainties that may cause actual results to differ materially from projections. By providing this information, the company undertakes no obligation to update or revise any projections or forward-looking statements whether as a result of new developments or otherwise.

Please refer to the press release issued today, which is available on the Cirrus Logic website, the latest Form 10-K and 10-Q, as well as other corporate filings made with the Securities and Exchange Commission for additional discussion of risk factors that could cause actual results to differ materially from current expectations.

Now I'd like to turn the call over to Jason Rhode, our President and Chief Executive Officer. Jason?

Jason P. Rhode, President, Chief Executive Officer

Thank you, Thurman. Before we begin taking questions, I'd like to make a few comments. For a detailed account of our financial results, please read the shareholder letter posted on our Investor Relations website.

Our financial results for the June quarter were at the high end of guidance as we delivered GAAP EPS of $0.16 and non-GAAP EPS of $0.37 per share on revenue of $152.6 million.

Sales of our portable audio products accelerated in Q1 as we continue to experience robust demand for higher performance audio solutions across our customer base. Sales in our energy division remained relatively unchanged from the prior quarter.

During the quarter Cirrus Logic announced its intention to acquire Wolfson Microelectronics for an enterprise value of approximately $467 million. This acquisition will augment the company's core audio signal processing product portfolio, provides differentiated software capabilities, particularly in the Android ecosystem and adds new product categories such as MEMS microphone.

Further, the additional resources will enable the company to better address the substantial opportunities driving future revenue growth in the portable audio market. We are excited to welcome Wolfson to Cirrus Logic family and expect the acquisition to close sometime this quarter.

Please note, as we do not have an exact close date, guidance for the second quarter does not include any potential contribution or expenses associated with the Wolfson acquisition.

We are pleased with the progress we've made in portable audio as we continue to experience strong demand for our custom and general market codecs, DSPs and amplifiers. In fact, we are now shipping general market products in the multiple handsets on seven unique customer platforms.

During the quarter we ramped shipments of our boosted amplifier with speaker protection and sound quality enhancements offer to support the product launch of our recently added top tier smartphone customer. Although, as we've mentioned in the past the amplifier market is highly competitive, we are encouraged by our success with these products and expect to see year-over-year unit growth in FY '15. Additionally, we are excited to be sampling several of our new advanced geometry high performance products and are actively engaged with customers on future designs.

Before we begin the Q&A, I would also like to note that while we understand there is intense interest related to our largest customer in accordance with our policy, we do not discuss specifics about our business relationship.

Operator, we are now ready to take questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from the line of Torris Wartford [ph] with Stifel. Your line is open.

<Q>: Yes, thank you. So my first question, I just wanted to clarify a statement you made Jason about year-over-year unit growth in fiscal '15, did that refer to the amplifier business or is that for the total business?

<A – Jason Rhode>: Well, the comment I made was specific to the amplifier business.

<Q>: Okay, all right. I just wanted to clarify that. The second question that I had is on R&D so it looks like you're guiding it to be up sequentially obviously based on new product tape outs. I'm just trying to understand beyond that, are we going to continue to see these types of increases or is it still sort of lumpy where you have heavier increases in the September and December quarters?

<A – Jason Rhode>: Well, the September quarter is expected to be consistent with the guidance which is significantly flattened out certainly relative to the increase we saw in the June quarter. The tape outs that we do now and 55-nanometer are pretty expensive they can move the needle all around definitely, so there is an element underlying the total that is lumpy, but we certainly don't expect to see the same kind of growth that we've seen in the past in OpEx.

And just to circle back on your previous question, I would estimate that we'll see overall unit growth in total as well. But the comment that I made was specific to amplifiers just because there've been a fair amount of rumor and speculation on that front.

<Q>: Okay, very good. Just one last question. I am just trying to understanding directionally where the R&D is headed. Is it safe to say that we'll see a smaller percentage of custom revenue going forward, it just seems like base on all these new products you've come out with that they are targeted at potentially more than one customer?

<A>: It's hard to call, we'd like to see the total dollar amount of custom revenue to go up and the percentage go down. I don't know if that is bad way to grow what was [indiscernible] but its certainly the case that we are taping out more general market product than we've done over the past few years. We went through a period where we grew so quickly that it was very difficult for us to bring in enough resources to keep up with all the new developments that we wanted to do and the fact that we've had a little bit of flat spot here that enabled us to bring in the people to scale the development resources of the company in a way that's proportional to the new revenue levels. And that's got our ability to crank out new products, increased in a pretty big way.

<Q>: That's very helpful. Thank very much guys.

<A>: Thanks Tore.

Operator: Our next question is from the line of Andrew Huang with Sterne Agee. Your line is open.

<Q – Andrew Huang>: Thanks. Just a follow-up on Tore's question, if general market products kind of increase as a percentage of your revenue would that kind of put some pressure on gross margins, what kind of maintain comparable level operating margins?

<A>: Well, general speaking the general market products are significantly higher in margins than our – than most of the custom stuff that we do. I mean, even within the custom stuff there is some variability depending on the volume. I think just to be clear, I think, everybody when we say custom everybody assumes there's only one customer there. We've done custom products for quite a range of different companies. But generally speaking, the general market products are higher in margin.

<Q – Andrew Huang>: And just to clarify that, is that higher in gross or operating or both?

<A>: Well, we don't break individual products down to operating margin, but the gross margin would certainly is higher on average.

<Q – Andrew Huang>: Okay. Thank you. And then the follow-up question I had was, if you look at your audio products excluding your biggest customer. It looks like there was a pretty nice sequential move there. Do you expect that momentum to kind of continue over the next couple of quarters?

<A>: Well, we're seeing a pretty strong environment in the general audio market both in general and then specifically in portable, where we ramped with the number of customers that do move the needle. It's the continuation of the trends that we've seen where people are looking for new ways differentiate their products where it's louder speakers or tricky voice algorithms or noise type processing things that are – that are right up our alley. So as I alluded to you in the opening comments we're shipping on a number of new platforms with products their interim amplifiers to pretty complicated codec's and we think that that trend is something that over the next couple of years continues to grow and that's a big part of the motivation for why we allocated more of the companies resources on to audio as well as pursued the Wolfson transaction.

<Q – Andrew Huang>: If you don't mind me asking, is it fair to say that your kind of your seven new customer platforms, would you consider those kind of more emerging market type OEMs or like Tier 1 OEM?

<A>: It's a mix.

<Q – Andrew Huang>: Okay. Thanks very much.

<A>: There's definitely some Tier 1 names in there, and there is a broad variety of the I guess what you termed emerging folks.

<Q – Andrew Huang>: Got it.

Operator: Thank you. Our next question comes from Vernon Essi with Needham & Company. Your line is now opened.

<Q – Vernon Essi>: Thank you very much and congrats on the seven unique customers. And just to follow on the previous question there from Andrew. In terms of you know as I think assets that you've determined but if we look at the audio bucket outside of your largest customer can you give us a sense of where the non-portable audio has been for the last year maybe roughly on a year-over-year basis, because I'm just trying to gauge how much the portable side has grown outside of your largest customer and any color on that I think would be appreciated?

<A>: The non-portable audio has been relatively flat down over the last year-over-year. And so we don't really breakout the total percentage of that in terms of the overall revenue but it has perished again.

<Q – Vernon Essi>: Okay.

<A>: And just to follow-up on that I mean I think that's reflective of where the company's focus has been over the last handful years. The best opportunities that we've got are importable and it's really need to see the number of customers that are interested in our – in what we are doing in the portable space.

That said, that's largely been a matter of prioritization because we've been unable to do everything we'd have liked to have done over the past couple of years and both the reallocation resources within Cirrus itself and then the addition of the Wolfson folks, I think will give the combine company a significantly better ability to go target some of these opportunities outside of portable audio in addition to doing what we want to do importable.

<Q – Vernon Essi>: Okay. And then in your letter you've discussed mix shift and ASP declines and you've discussed this in the past year-over-year, I was wondering if you could elaborate a little but more and of course as specific as you want to be more generic, but in terms of how we should be looking at that going forward and it also – I am bringing it to pull here as it relates to your embedded software efforts. You've got some competitors out there at least on the context of side that are investing pretty heavily in algorithms and what not. Do you see this as being a way for you to reinforce certain level of ASP or dollar content or is this a scenario where we're going to see sort of a continued trend of price pressure that you would normally see in the industry?

<A>: Sure. On the ASP side for the last year, there is a mix of issues related to it. I would say the previous year we had seen a huge increase in ASP and then we had to do some cost reductions et cetera to help our customers to be successful which is part of the process in this business. And then additionally some mix of products that went with you know maybe less complex product than they might have for us that also contributed to the ASP. But the important thing is the unit volume – you know, we maintained our position in those sockets and the unit volume continue to increase.

So generally speaking that's not something that we would expect to have continue going forward obviously our goal is to continue to add more and more functionality to the product, which historically for us is been largely focused on hardware. But I think you've pointed out exactly the right thing which is that you know a lot of the markets that we serve have significant value can be added in software and firmware algorithms and that was the motivation for the acoustic, Acoustic Tech. acquisition last fall. That as you know we're pretty – we look real long and hard before we do an acquisition. That will look like its going to be good one and those guys have just not become or up above for us. They're shipping in a bunch of different products, you know in some cases where shipping as an algorithm alone we're making good money for shipping code obviously the longer term goal is to drive more revenue from our chips that contain that code and again you are right, that's a great way for us to add, add value and hopefully keep our ASPs high in these markets.

Further on from that to big element of Wolfson acquisition again, you know they've been serving the Android market for longer than we have and that has pushed them to, to be a bigger part of the Android ecosystem than we have been today. It's kind of a little bit of a nature of the beast with the customers that are in that space that they maybe aren't as able to look out three or four years on the hardware side and tell us what they're going to want, so that we can do custom devices for them and really make the hardware exactly what they want. But it is the case that they can work on the software timeframe. So if we've got a general platform that will be applicable to whatever model of phone they might be developing, we can then add-on and customize that in terms of software and firmware and their abilities that Wilson guys have got on that front are significant augmentation to our own.

<Q – Vernon Essi>: That's a great answer. Thanks for delving into that I appreciate it.

<A>: Sure.

<A>: Thanks Ron. Good question.

Operator: [Operator Instructions] Our next question comes from Jeff Schreiner with Feltl and Company. Your line is open.

<Q – Jeff Schreiner>: Yes gentlemen thank you very much for taking my questions. Jason I wanted to ask you, it's kind of more of a technical question while we have you on the line to tease your input. Just wondering, what's your thoughts are over the next 12 to 24 months in terms of where audio processing will be done? Is it going to be done in [indiscernible] microphone as many in that industry are talking about? Is it going to move to the application processor? Or is it still need a codec in between the two? How are you looking at that and what are your thoughts on that?

<A – Jason Rhode>: Well that's a good question Jeff. I think it's going to be a mix of all the above depending on the exact application. There are some algorithms that if there is – if it's in an application where there is an applications processor, those are the smallest geometry transistors and it makes lot of sense to do things there. The caveat to that is that if you got to boot the whole thing up and enable the OS to make it apply you are incurring a pretty significant power penalty for doing that. So in a device where there is an applications processor, then there is definitely a class of algorithms in all this, some folks refer to them as kind of always on type algorithms where having a sidecar device you could embed in an audio codec and that's certainly the angle that we're pursuing and we think benefits us.

You know, having a side car DSP that's able to sit and be on at a very, very low quest [ph] and power level, respond to somebody's comment say on a microphone or some other sensors activity and then wake up the ops processor as appropriate, we think that's a great system partition.

And then further as you mentioned in the microphone context, you know, we think there is definitely an opportunity for smarter microphones out there that was again another non-attributable aspect of why we wanted to pursue that Wolfson acquisition.

They've got some great technology around microphones. They are shipping in some good platform – in some good platforms in tier account and we think that being able to invest in that product line and further differentiate our product offerings there gives us another arrow in the quiver as we go after these emerging classes of applications where potentially there is no apps processing.

<Q – Jeff Schreiner>: Okay. Thank you. One thing I just wanted to – I do wonder or ponder on it, and either Jason or Thurman maybe you can answer this, is just, you know, its been over a year now since the Barclays conference well beyond the year, where you provided mid-40s gross margin guidance continue to kind of deliver you know in the low 50s for a while, now we're moving to the high 40?

Is there some shoe [ph] that's going to drop that investors need to be worry about or what is driving the guidance to suggest that you know, over the longer term margins are going to move to mid-40?

<A>: Well, as we – the reason we said that at the time and the reason we continue to put that in our shareholder letters, as we think that what the business will support in the long term. And so from a shoe dropping perspective is we think you should keep that in mind from a long term perspective. That's where we expected to be. But that's obviously our goal is for our margins to be as high as possible and our supply chain team does a great job. There's a variety of angles that they pursue to try to improve upon that and they've done a great job so far.

There's a lot of moving parts you know, in a quarter like this past one which is a lower quarter for the year then the mix of things like royalties from software algorithms or higher margin -- general market products contribute a higher margin. So you see us come in at the upper end of our guidance. So I don't think there's anything real mysterious going on. It's just our folks doing a good job. And we're doing it typically conservative job of putting our guidance to making sure that we're able to deliver on what we say.

<Q – Jeff Schreiner>: Okay. And my final question is that -- I don't know actually if you guys know -- but there's just a vibe that's coming out that's going to stay with the world and world hunger cure all diseases and bring about world peace. And there's supposed to be a lot of magnitude in terms of volume it's actually surrounding these types of products.

And I'm just trying to reconcile the magnitude expected by many in the industry versus what it looks like a potentially down year-over-year revenue run rate and I'm also in the context trying to do that with what it seems like it's an commentary suggesting that maybe can turns about amplifier losses maybe overdone. Can you – a broad throw kind of help reconcile some of those things?

<A>: No, not really. I don't really have any comment about world hunger devices, certainly one off if you happen to get in the queue, when they are launched. We've said relative to our business that we expect it to be a flattish year. The first two quarters of the fiscal year at least based on the guidance that we're putting out for Q2 are down a little bit.

We still feel good about that flattish for the year guidance which would imply the second half of the year could potentially see some year-over-year growth. We do see some potential for upside to that as we head into what we think is going to be a very strong FY 2016 on the strength of a number of new product introductions for mass. But do your own guess works as far as what customers might launch what when.

I would say relative to new categories we have – we've said on the last couple of calls that while we're really excited about variables in the long-term, we don't – we don't expect that to be a meaningful contributor to our revenue in the short-term.

<Q – Jeff Schreiner>: Thank you very much for your time gentlemen.

<A>: Sure. And then just to follow-up on the amplifier thing I don't know where the rumors and new comes from but that's why we put the letter in the opening remarks that whatever it maybe this is a brand new product line for us less than a couple of years old. We've grown it to be a big and profitable and growing business in few short years. We are extremely proud of that. And as we said, we expect that to grow in unit's year-over-year. So our team is just done an exceptionally good job of building a new from scratch product line and shipping that into a number of different customers.

<Q – Jeff Schreiner>: Thank you.

Operator: Thank you. Our next question comes from the line of Chris Hemmelgarn with Barclays.

<Q – Christopher Hemmelgarn>: Thanks very much. Thanks very much for taking my questions. First one, I really appreciate color you guys provided particularly on the amp front, and just let me color that you're reiterating your flat year-on-year guidance.

But I guess when I put those two bids together that you expect to sell more amps and more units overall, and you expect revenue to be kind of flat and it certainly looks like your largest customer is by all expectations is going to ship quite a few more devices this year than last year. Maybe that would indicate some additional content is that the right conclusion draw?

<A>: No. So, we – let's see – so we put a fair amount of color last year on eroding ASPs, it will move to a lower margin structure which certainly indicates that. This has not been a big year of new product introductions for us and so I think most people to follow the semiconductor industry recognize that there is a year-over-year if you're selling the same parts to the same customers they're probably going to expect price decreases, so that factors into it as well.

I'd rather say there's a lot of moving parts and amplifiers is one of the more competitive areas. We don't expect to have a monopoly there. We are going to win some. We're going to lose some. Overall, I'm very happy with how that product line is shaken out and we expect the units there to grow. So, and as I said, we do see some potential for upside in the second half of the year but we only had the current quarter or so.

<Q – Christopher Hemmelgarn>: So you are holding to your original flat year-on-year reference guidance, correct?

<A>: It's flattish.

<Q – Christopher Hemmelgarn>: Flattish.

<A>: And the first couple of quarters have been down year-over-year, so that would tell you the second half of the year.

<Q – Christopher Hemmelgarn>: Okay. So that's helpful. So nothing – no major issues other the normal semiconductor price declines that we're familiar with. That makes a lot of sense.

<A>: We feel really good about the year we're having. This is a huge area of new product tape outs and development for us. We're moving a lot of what we've historically done which has been simpler products in older geometries such as 180 nanometer. A lot of our new tape outs are in advanced geometries, 65, 55 nanometers. The only reason you do that in our space is if you are adding a lot more functionality that the same part moved it from 180 to 55, all you do is make it more expensive. So it's a great year of new product development for us and as we've said before we still do revenue contributions from some of those new products kicking in as early as first calendar quarter in the next year.

<Q – Christopher Hemmelgarn>: That's very helpful. One quick other follow-up, the ever popular tax situation, inversions and other sorts of tax [ph] have been – hot subject in the news these days and your Wolfson acquisition certainly looks like it might offer the possibility of alleviating some of the – the coming tax burden you have, just any comments on your plans there and what's your tax expectation for calendar '15?

<A>: With the Wolfson acquisition, one of the positive things and one of the advantages to that acquisition is that we are acquiring an entity that oversees that happens to be in the jurisdiction with a lower tax rate around 20% in the U.K. Given that – that will provide advantages to us and we do believe that as we look at our corporate structure going forward and we began to formulate our longer term plans that the acquisition will provide us opportunities to reduce our overall corporate effective tax rate.

<Q – Christopher Hemmelgarn>: Thanks very much Thurman and thanks gentlemen.

<A>: Sure.

<A>: Thank you.

Operator: [Operator Instructions]. Our next question comes from the line of Christopher Longiaru with Sidoti and Company. Your line is open.

<Q – Christopher Longiaru>: Hey guys, thanks for taking my question.

<A>: Yeah.

<Q – Christopher Longiaru>: So you talked about – you talked about the [indiscernible] towards the Mid-40s gross margin. I was just wondering if because this was before the Wolfson acquisition if that comment changes is it all with the Wolfson acquisition does that speed up the movement because its more audio and obviously some the margins little lower than your overall corporate average can you just give a little color on that?

<A>: Well I mean, you know they are developing the same kinds of products that we have to serve in the same market that we are, so we would expect it to be a similar margin profile to us, if you look at there most recently release results back in -- I think the March timeframe as well as the guidance they gave you that time it. So that was for margins I think in the 47% range.

<Q – Christopher Longiaru>: Yeah.

<A>: So that's actually pretty supportive, that where we think we nee to be long-term. And that's before we start looking at whatever advantages we might bring to bear on their smaller business with our much larger supply chain. So we feel real good about the acquisition from a profitability point of view in line.

<Q – Christopher Longiaru>: Okay. That helpful and then just on the regulatory hurdles that you are facing there can you just give a little more color to those and how you expect to update to treat as those as goers is it going to be an announcement deal is closed, can you give a little color on how that should play out in your head?

<A>: Yeah. That's pretty much how it will play out in our head. We're going through all of the minutia of the regulatory stock and it's expected to close this quarter. We haven't seen – there is lots of things and lawyers and accountants and what not that are involved. But we're just working through the process. Don't expect any huge surprises, but we're just going through the process and we'll update you once the deal is closed, hopefully sometimes this quarter.

<Q – Christopher Longiaru>: And then just the last thing is typically you have a big jump for obvious reasons in your inventories between June and September. Should we be thinking about kind of the similar move up from a percentage basis as last year, can you comment on that?

<A>: Well, we put some specific guidance on that in the letter somewhere, if you know. Well, I mean inventory moves around in quarter-to-quarter particularly when we do see ramps, customer ramps. As you noted we saw in the June quarter about – over a 20 million increase. Although, we don't typically talk about specific inventory numbers, because of that movement we do expect inventory to increase again in the September quarter.

<Q – Christopher Longiaru>: Okay. All right. That's helpful. Thank you, guys. I appreciated it.

<A>: Sure. Thank you.

Operator: [Operator Instructions]. Our next question comes from John Vinh with Pacific Crest. Your line is open.

<Q – John Vinh>: Hi. Thanks for taking my question. Question I had a follow-up question on the wearables market, I was wondering if you could talk about the content opportunity for variable devices versus smartphones, obviously most variable devices on the market today don't have a speaker. Just trying to understand if there is a comparable content opportunity or if it is far less?

<A>: Well it's probably all over the map. I think that market is in such an influencing stage that, well we are all excited about what it might be, it isn't really anything yet. But generally speaking a lot of these devices are going to be pretty small, they are either, whether it's a wristband that might not have a screen on it all, for fitness kinds of stuff.

We see voice as a really attractive interface. We think that the technology that we've got in the SoundClear family from Acoustic Tech as well as some of what we are acquiring along with Wolfson is really applicable in that market. Something we are really excited about.

I think there is opportunities in things such as sensor hubs where we can incorporate audio into some of that as well, through some of our audio signal processing at it. I think in terms of traditional audio the needs in that – in such a small form factor are pretty low. Obviously it's a good opportunity for microphones and as one of the earlier questions eluded to as lots of folks talking about put more and more smarts in microphones which I think makes lot of sense in a variable application.

So, I think on the whole I guess if I had to benchmark it relative to a phone I would say there is on average in the long run probably less audio in a variable type things and in a phone but it's still an entirely new category and I think it is synergistic with phones rather than cannibalistic. So it's an excitingly new categories still definitely the wild breadth [ph]. So we will have to see how to unfold, but it's definitely a good incremental opportunity for a number of our products.

<Q – John Vinh>: Great. And then my follow-up question is on Wolfson, I was wondering if you could update us with your thoughts in terms of how you are thinking about cost synergies. I think you previously talked about $12 million in cost synergies given that you have time to kind of obviously take the closer look, is that how we should be thinking about the synergies there?

<A>: Yeah, I think we are real consistent at this point with what we've said at the time and it's filed in the 2.7 document in association with the acquisition.

<Q – John Vinh>: Great. Thank you.

<A>: Sure. Thank you.

Operator: I am showing no further questions at this time. I'd like to turn the call back to Chelsea Heffernan for further remarks.

Chelsea Heffernan, Senior Investor Relations Analyst

Thank you, Operator. We will conclude the call with questions that we proceed via email this afternoon. The majority of the questions were addressed in the Q&A session; however there were several that were not asked. Can you provide color on the change in head count in the June quarter?

Jason P. Rhode, President, Chief Executive Officer

Sure. As we indicated a while back we did a rebalance of the resources from our energy developments into audio in order to more rapidly staff up and make sure that we are able to capitalize on our larger opportunities within audio. And then obviously once we announced the Wolfson deal that kind of put us in a little bit of a mode where we sale like we needed to take a little bit of pause and reassess one through once we integrated into one company.

Obviously, we are still hiring. But once we did that reallocation of resources between energy and audio there was a little bit of rebalancing there within that team. And then of course on top of that you've got a normal – fairly low but normal attrition rate as well. So then, the net of all that ended up with being a small decrease in head count during the current quarter.

Chelsea Heffernan, Senior Investor Relations Analyst

Great. Thanks. The final question can you provide an update on your share repurchase program?

Jason P. Rhode, President, Chief Executive Officer

Sure. We've still got a fair amount of authorization remaining. It's something that we consider from time-to-time. We view that as a good use of cash, however, obviously with the Wolfson acquisition we've taken – or will be a taking on a fair amount of debt you can imagine that will be prioritize in paying down that debt as we go forward. But certainly share repurchase is something that – in that context obviously we will still concern in the long run.

Chelsea Heffernan, Senior Investor Relations Analyst

Great. Thanks. That was the last question.

Jason P. Rhode, President, Chief Executive Officer

All right. In summary, we're pleased with our progress in Q1 as we delivered strong financial results and gain momentum across our portable audio products. We believe the portable audio market is in the initial stages of the next wavier growth driven by the desire to differentiate products to the audio and voice experience.

With the strong pipeline of compelling products and the pending acquisition of Wolfson we are strengthening the company's position as a market leader in audio with the comprehensive custom and general market product portfolio, differentiated software capabilities and top tier customer base.

I would also like to note that we will be holding a virtual annual shareholders meeting on Monday, July 28 at 11 AM Central Time.

If you have any questions that were not addressed, you can submit them to us via the Ask the CEO section of our investor website. I'd like to thank everyone for participating today. Good-bye.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This does conclude the program. You may all disconnect. Everyone have a great day.