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): July 11, 2016

VOXX INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**0-28839** (Commission File Number)

13-1964841
(IRS Employer Identification No.)

2351 J Lawson Blvd., Orlando, Florida (Address of principal executive offices)	**32824** (Zip Code)

Registrant's telephone number, including area code (800) 654-7750

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 file 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(e))

Item 2.02 Results of Operations and Financial Condition.

On July 11, 2016, Voxx International Corporation (the “Company”) issued a press release announcing its earnings for the three months ended May 31, 2016. A copy of the release is furnished herewith as Exhibit 99.1.

Item 8.01 Other Events.

On July 12, 2016, the Company held a conference call to discuss its financial results for the three months ended May 31, 2016. The Company has prepared a transcript of that conference call, a copy of which is annexed hereto as Exhibit 99.2.

The information furnished under Items 2.02 and 8.01, including Exhibits 99.1 and 99.2, shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated July 11, 2016, relating to VOXX International Corporation's earnings release for the three months ended May 31, 2016 (filed herewith).
99.2	Transcript of conference call held on July 12, 2016 at 10:00 am (filed herewith).

SIGNATURES

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 thereunto duly authorized.

VOXX International Corporation (Registrant)

Date: July 13, 2016

BY: /s/ Charles M. Stoehr
Charles M. Stoehr
Senior Vice President and
Chief Financial Officer

FOR IMMEDIATE RELEASE

VOXX INTERNATIONAL CORPORATION REPORTS ITS FISCAL 2017 FIRST QUARTER RESULTS

HAUPPAUGE, NY, JULY 11, 2016 - VOXX International Corporation (NASDAQ: VOXX), a leading global manufacturer and distributor of automotive and consumer lifestyle products, today announced its financial results for its Fiscal 2017 first quarter ended May 31, 2016.

Net sales for the Fiscal 2017 first quarter were $155.5 million, a decrease of $8.9 million as compared to $164.4 million reported in the comparable year-ago period. The average Euro for the Fiscal 2017 and Fiscal 2016 first quarters was $1.13 and $1.09, respectively, and positively impacted net sales by approximately $1.8 million. Additionally, the sale of inventory and subsequent licensing of the Jensen 12-volt audio business impacted net sales by $3.0 million. Excluding the impact of the Euro conversion and sale of the Jensen car audio business, net sales were down $7.7 million or approximately 4.7%.

- Automotive segment sales were $81.4 million and $90.0 million for the Fiscal 2017 and Fiscal 2016 first quarters, respectively, representing a decline of $8.6 million. The Jensen sale impacted net sales by $3.0 million and the remaining decline was primarily due to lower OEM sales in North America, and lower aftermarket sales of remote starts and satellite radio products. This was partially offset by an increase in tuner and antenna sales at Hirschmann, as a new OEM program began during the quarter.
- Premium Audio segment sales were $32.1 million and $29.3 million for the Fiscal 2017 and Fiscal 2016 first quarters, respectively, an increase of $2.8 million. The increase in sales was primarily related to the introduction of new products, including HD wireless speakers, soundbars with wireless subwoofers and an increase in headphone sales. Strong domestic performance was partially offset by a decline in European sales.
- Consumer Accessories segment sales were $41.7 million and $44.7 million for the Fiscal 2017 and Fiscal 2016 first quarters, respectively, a decline of $3.1 million. This was primarily related to lower sales of wireless speakers due to stronger load-in's in the Fiscal 2016 first quarter and declines across select categories, partially offset by higher sales of antenna products and 360Fly action cameras, as well as an increase in net sales internationally.

Pat Lavelle, President and CEO of VOXX International stated, "While we reported a net loss for the quarter, it was anticipated and we outperformed our Q1 plan. As we stated last quarter, many of the product load-in's for our Consumer Accessories and Premium Audio segments are slated for our second and third fiscal quarters and as such, we are anticipating growth in these categories for the Fiscal year. New digital technologies within Premium Audio have enabled us to reverse the declining sales trend and we reported a 10% increase in segment sales and at higher gross margins. Our Consumer Accessories business should be aided by the launch of our new 360Fly 4K action camera, strength in our RCA and Terk reception business and the introduction of Project Nursery, a line of high-end projectors, cameras and displays designed for the nursery. Lastly, our Automotive segment is expected to be flat to down modestly this year, though with the new awards we announced last quarter, coupled with $40 million in new programs awarded in Q1, and our pipeline of booked business, we should generate growth in Fiscal 2018 and in the following years."

The gross margin for the Fiscal 2017 first quarter came in at 29.7% as compared to 29.2% for the same period last year, an increase of 50 basis points ("bps"). The increase in gross profit margin was primarily due to higher margins in the Premium Audio segment, given the introduction of new product lines and a shift in product mix. Automotive segment gross margins were 30.0% and declined by 30 bps; Premium Audio segment gross margins were 34.6% and increased 250 bps; and Consumer Accessories segment gross margins were 24.7%, consistent with the Fiscal 2016 first quarter.

Operating expenses for the Fiscal 2017 first quarter were $53.2 million, a $4.4 million increase as compared to $48.8 million in the Fiscal 2016 first quarter. Excluding the addition of operating expenses associated with EyeLock, LLC ("EyeLock"), the Company's majority owned subsidiary and most recent acquisition, operating expenses were flat for the comparable periods.

In addition to expenses associated with EyeLock, the Company increased its investments in research and development initiatives associated with its Automotive and Premium Audio segments and received fewer reimbursements of engineering expenses (“NRE”) at Hirschmann. The Company also incurred increases in depreciation and amortization expenses during the three months ended May 31, 2016 as a result of intangible assets acquired in conjunction with the EyeLock acquisition and the addition of the Company's new manufacturing facility and executive offices in Lake Nona, FL. As an offset to these operating expense increases, the Company has experienced decreases in salary, payroll and benefits expenses, and lower advertising expenses for the three months ended May 31, 2016.

The Company reported an operating loss of $7.1 million as compared to an operating loss of $0.8 million in the Fiscal 2016 first quarter. Net loss was $4.3 million or a loss of $0.18 per diluted share as compared to a net loss of $0.7 million and a net loss per diluted share of $0.03 in the comparable prior year period. Excluding the impact of EyeLock, the Company would have reported a net loss for the Fiscal 2017 first quarter of $1.5 million as compared to a net loss of $0.7 million for the corresponding year-ago period.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the Fiscal 2017 first quarter was $0.1 million as compared to EBITDA of $4.6 million reported in the Fiscal 2016 first quarter. Adjusted EBITDA was $0.3 million as compared to $4.9 million for the comparable Fiscal 2017 and 2016 first quarter periods.

Lavelle continued, “Gross margins showed improvement during the quarter and we believe we’re on track to deliver higher margins this Fiscal year. Expenses are expected to be down, even with the addition of EyeLock and increased investments in R&D to drive new technologies across each of our segments. With that said, we continue to focus on cost controls and believe the Company remains positioned for profitability this Fiscal year.”

Non-GAAP Measures

EBITDA, Adjusted EBITDA and diluted adjusted EBITDA per common share are not financial measures recognized by GAAP. Adjusted EBITDA represents net loss, computed in accordance with GAAP, before interest and bank charges, taxes, depreciation and amortization and stock-based compensation expense. Depreciation, amortization and stock-based compensation are non-cash items. Diluted adjusted EBITDA per common share represents the Company's diluted earnings per common share based on adjusted EBITDA.

We present adjusted EBITDA and diluted adjusted EBITDA per common share in this Form 10-Q because we consider them to be useful and appropriate supplemental measures of our performance. Adjusted EBITDA and diluted adjusted EBITDA per common share help us to evaluate our performance without the effects of certain GAAP calculations that may not have a direct cash impact on our current operating performance. In addition, the exclusion of certain costs or gains relating to certain non-recurring events allows for a more meaningful comparison of our results from period-to-period. These non-GAAP measures, as we define them, are not necessarily comparable to similarly entitled measures of other companies and may not be appropriate measures for performance relative to other companies. Adjusted EBITDA should not be assessed in isolation from or construed as a substitute for net loss prepared in accordance with GAAP. Adjusted EBITDA and diluted adjusted EBITDA per common share are not intended to represent, and should not be considered to be more meaningful measures than, or alternatives to, measures of operating performance as determined in accordance with GAAP.

The Company will be hosting its conference call on Tuesday, July 12, 2016 at 10:00 a.m. ET. Interested parties can participate by visiting www.voxxintl.com, and clicking on the webcast in the Investor Relations section or via teleconference (toll-free number: 877-303-9079; international: 970-315-0461 / conference ID: 43499872). For those unable to join, a replay will be available approximately four hours after the call has been completed and will last for one week (replay number: 855-859-2056; international replay: 404-537-3406 / conference ID: 43499872).

About VOXX International Corporation

VOXX International Corporation (NASDAQ:VOXX) has grown into a worldwide leader in many automotive and consumer electronics and accessories categories, as well as premium high-end audio. Today, the Company has an extensive distribution network that includes power retailers, mass merchandisers, 12-volt specialists and most of the world's leading automotive manufacturers. The Company has an international footprint in Europe, Asia, Mexico and South America, and a growing portfolio, which now comprises over 30 trusted brands. Among the key domestic brands are Klipsch®, RCA®, Invision®, Jensen®, Audiovox®, Terk®, Acoustic Research®, Advent®, myris®, Code Alarm®, Car Connection®, 808®, AR for Her®, and Prestige®. International brands include Hirschmann Car Communication®, Klipsch®, Jamo®, Energy®, Mirage®, Mac Audio®, Magnat®, Heco®, Schwaiger®, Oehlbach® and Incaar™. For additional information, please visit our Web site at www.voxxintl.com.

Safe Harbor Statement

Except for historical information contained herein, statements made in this release that would constitute forward-looking statements may involve certain risks and uncertainties. All forward-looking statements made in this release are based on currently available information and the Company assumes no responsibility to update any such forward-looking statements. The following factors, among others, may cause actual results to differ materially from the results suggested in the forward-looking statements. The factors include, but are not limited to risks that may result from changes in the Company's business operations; our ability to keep pace with technological advances; significant competition in the automotive, premium audio and consumer accessories businesses; our relationships with key suppliers and customers; quality and consumer acceptance of newly introduced products; market volatility; non-availability of product; excess inventory; price and product competition; new product introductions; foreign currency fluctuations and concerns regarding the European debt crisis; restrictive debt covenants; the possibility that the review of our prior filings by the SEC may result in changes to our financial statements; and the possibility that stockholders or regulatory authorities may initiate proceedings against VOXX International Corporation and/or our officers and directors as a result of any restatements. Risk factors associated with our business, including some of the facts set forth herein, are detailed in the Company's Form 10-K for the fiscal year ended February 29, 2016.

Company Contact:
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GW Communications (for VOXX)
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VOXX International Corporation and Subsidiaries
Consolidated Balance Sheets

(In thousands)	May 31, 2016	February 29, 2016
Assets	(*unaudited*)	
Current assets:		
Cash and cash equivalents	$ 8,558	$ 11,767
Accounts receivable, net	78,894	87,055
Inventory, net	150,638	144,028
Receivables from vendors	1,894	2,519
Prepaid expenses and other current assets	16,437	17,256
Income tax receivable	1,605	1,426
Total current assets	258,026	264,051
Investment securities	10,054	10,206
Equity investments	22,221	21,949
Property, plant and equipment, net	79,932	79,422
Goodwill	105,729	104,349
Intangible assets, net	184,020	185,022
Deferred income taxes	23	23
Other assets	2,197	2,168
Total assets	$ 662,202	$ 667,190
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 57,848	$ 55,790
Accrued expenses and other current liabilities	43,446	50,748
Income taxes payable	1,807	4,081
Accrued sales incentives	12,630	12,439
Current portion of long-term debt	10,989	8,826
Total current liabilities	126,720	131,884
Long-term debt, net of debt issuance costs	91,923	88,169
Capital lease obligation	1,301	1,381
Deferred compensation	4,034	4,011
Other tax liabilities	5,092	4,997
Deferred tax liabilities	28,839	30,374
Other long-term liabilities	10,441	10,480
Total liabilities	268,350	271,296
Commitments and contingencies		
Stockholders' equity:		
Preferred stock:		
No shares issued or outstanding	—	—
Common stock:		
Class A, $.01 par value; 60,000,000 shares authorized, 24,067,444 shares issued and 21,899,370 shares outstanding at both May 31, 2016 and February 29, 2016	256	256
Class B Convertible, $.01 par value, 10,000,000 authorized, 2,260,954 shares issued and outstanding	22	22
Paid-in capital	294,373	294,038
Retained earnings	150,639	154,947
Non-controlling interest	6,813	8,524
Accumulated other comprehensive loss	(37,075)	(40,717)
Treasury stock, at cost, 2,168,074 shares of Class A Common Stock at both May 31, 2016 and February 29, 2016	(21,176)	(21,176)
Total stockholders' equity	393,852	395,894
Total liabilities and stockholders' equity	$ 662,202	$ 667,190

VOXX International Corporation and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income (Loss)

(In thousands, except share and per share data)

(unaudited)

	Three Months Ended May 31, 2016	Three Months Ended May 31, 2015
Net sales	$ 155,456	$ 164,383
Cost of sales	109,355	116,340
Gross profit	46,101	48,043
Operating expenses:		
Selling	12,664	13,038
General and administrative	27,071	27,691
Engineering and technical support	13,479	8,079
Total operating expenses	53,214	48,808
Operating loss	(7,113)	(765)
Other (expense) income:		
Interest and bank charges	(1,695)	(1,567)
Equity in income of equity investees	1,808	1,618
Other, net	(512)	276
Total other (expense) income, net	(399)	327
Loss before income taxes	(7,512)	(438)
Income tax (benefit) expense	(1,392)	276
Net loss	(6,120)	(714)
Less: net loss attributable to non-controlling interest	(1,812)	—
Net loss attributable to Voxx International Corporation	$ (4,308)	$ (714)
Other comprehensive income (loss):		
Foreign currency translation adjustments	4,196	(2,797)
Derivatives designated for hedging	(491)	(664)
Pension plan adjustments	(58)	52
Unrealized holding loss on available-for-sale investment securities arising during the period, net of tax	(5)	(4)
Other comprehensive income (loss), net of tax	3,642	(3,413)
Comprehensive loss attributable to Voxx International Corporation	$ (666)	$ (4,127)
Net loss per common share attributable to Voxx International Corporation (basic)	$ (0.18)	$ (0.03)
Net loss per common share attributable to Voxx International Corporation (diluted)	$ (0.18)	$ (0.03)
Weighted-average common shares outstanding (basic)	24,160,324	24,153,859
Weighted-average common shares outstanding (diluted)	24,160,324	24,153,859

VOXX International Corporation and Subsidiaries

Reconciliation of GAAP Net Loss to Adjusted EBITDA

(In thousands, except share and per share data)

(unaudited)

	Three Months Ended May 31,	
	2016	**2015**
Net loss attributable to Voxx International Corporation	$ (4,308)	$ (714)
Adjustments:		
Interest expense and bank charges (1)	1,588	1,567
Depreciation and amortization (1)	4,243	3,497
Income tax expense (benefit)	(1,392)	276
EBITDA	131	4,626
Stock-based compensation	175	230
Adjusted EBITDA	$ 306	$ 4,856
Diluted loss per common share	$ (0.18)	$ (0.03)
Diluted adjusted EBITDA per common share	$ 0.01	$ 0.20

(1) For purposes of calculating Adjusted EBITDA for the Company, interest expense and bank charges and depreciation and amortization added back to Net Loss have been adjusted in order to exclude the non-controlling interest portion of these expenses attributable to EyeLock LLC.

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

VOXX - Q1 2017 VOXX International Corp Earnings Call

EVENT DATE/TIME: JULY 12, 2016 / 02:00PM GMT

CORPORATE PARTICIPANTS

Glenn Wiener *GW Communications - IR*

Pat Lavelle *VOXX International Corporation - President & CEO*

Michael Stoehr *VOXX International Corporation - SVP & CFO*

CONFERENCE CALL PARTICIPANTS

Rob Stone *Cowen and Company - Analyst*

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the VOXX International results conference call. (Operator Instructions) As a reminder, today's conference call is being recorded.

I would now like to turn the conference over to Mr. Glenn Weiner, investor relations. Please go ahead, sir.

Glenn Wiener - ***GW Communications*** - ***IR***

Thank you, Candace, and good morning, everyone. Welcome to VOXX International's fiscal 2017 first-quarter results conference call.

Our call today is being webcast on our website, www.VOXXintl.com, and can be accessed in the investor relations section. We also have a replay available for those who are unable to join us this morning.

We filed our Form 10-Q with the Securities and Exchange Commission and issued our press release over PRNewswire yesterday. Both copies can be found on our website in the IR section under SEC filings and news releases, respectively.

Speaking for management this morning will be Pat Lavelle, our President and Chief Executive Officer, and Michael Stoehr, our Senior Vice President and Chief Financial Officer, both of whom will be available for questions after our prepared remarks.

Before I turn the call over to Pat, I would like to remind everyone that except for historical information contained herein, statements made on today's call and webcast that would constitute forward-looking statements are based on currently available information. The Company assumes no responsibility to update any such forward-looking statements and risk factors associated with our business are detailed in our Form 10-K for the period ended February 29, 2016.

At this time, I would like to turn the call over to our CEO, Pat Lavelle.

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

Thank you, Glenn, and good morning, everyone. I will begin with a brief recap of our Q1 performance and some of the drivers within each of our business segments. Michael will then cover our balance sheet before we open up the call for questions.

Automotive sales were down a little less than 5% when factoring in the euro conversion and the sale and licensing of our 12-volt audio business. The decline was expected. Our international OEM business grew with new programs in place for digital antennas and tuners. However, that growth was not enough to offset declines in North America.

In the aftermarket, we experienced lower sales of remote starts and satellite radio products, which continue to become a lower percentage of our overall automotive business. Our OEM operations were also impacted by lower sales of remote starts and we had a number of rear seat entertainment programs come to an end with new programs coming on board towards the end of the fiscal year.

Our gross margins held, coming in at 30%, and the segment was profitable on a pretax basis, though less than last year, given the decline in sales and the increase in R&D spend. Looking ahead, we expect OEM sales to be up and aftermarket sales to be down in fiscal 2017. Overall, based on Q1 performance and some shift in programs, we anticipate this segment will be down to flat for the year. With that said, we expect to see consistent increases in FY18 and beyond as new programs roll out.

Q4 was a strong quarter for new awards with over $300 million in new business and during Q1 we were awarded another $40 million in new programs with Daimler and Volkswagen. The transition to new technologies within antennas, tuners, rear seat infotainment, and remote start is fueling our optimism and we are building a strong pipeline which we anticipate will drive growth for years to come.

Within premium audio, our sales grew by 10% and our gross margins increased by 250 basis points. As we've discussed on prior calls, during Q4 we launched several products across the line, most of which sold out. Although this segment declined last year, it began a reversal during the second half as we transitioned into new digital products and this led to our Q1 increase.

In Q1, we had higher sales of sound bars, HD wireless speakers, and headphones. Klipsch is aggressively attacking three areas of digital streaming to fill its portfolio: multiroom streaming systems, portable streaming speakers, as well as true high-resolution home theater. A full complement of the Play-Fi system scheduled to launch in our second and third quarters allow customers to wirelessly stream audio throughout their homes thanks to new sound bars, wireless surround speakers, and gates that bring Play-Fi functionality to both passive and powered speakers.

The Klipsch Reference Premier HD wireless system continues to build momentum as one of the leaders in wireless home theater. Additionally, both the Klipsch and Jamo brands are targeting the fast-growing custom installation segment, launching complete outdoor speakers and electronic systems which will retail between $2,000 and $8,000. All-in-all, we expect these products will drive continued growth in this category for the year.

Consumer accessory sales declined by $3 million, or approximately 7%, coming off a quarter in which we grew by $7 million. This segment will grow in FY17; this has not changed. We are doing very well with our 808 brand and we now have the number six market share position in Bluetooth speakers according to NPD. Our reception line is up over last year and we expect to see continued growth in this category, expanding upon our number one market position.

And most recently, NPD surveyed the universal remote market and we have grown our number one position to a 48% market share. We also have a new line of Project Nursery products which will be placed by the end of July at retailers such as buybuy BABY, Babies "R" Us, Amazon, Giggle, and virtually-affiliated locations. Additionally, our new 360fly 4K action cameras, which began shipping in late May, will now rollout beyond our initial retail partners.

We also have new programs for wireless outdoor speakers with Walmart and Costco, which we'll launch in the third quarter, and we have expanded our antenna distribution to include cable operators. We feel positive about growth in our accessory business this year. And, lastly, gross margins of 24.7% were consistent with last year's Q1 and we expect them to hold throughout the year.

Looking at the quarter as a whole, consolidated sales were off approximately $9 million, gross margins improved 50 basis points and our operating expenses increased by $4.4 million, all of which were attributed to EyeLock and other increases in R&D. We posted a net loss of $4.3 million versus a net loss of $700,000 in last year's first quarter. Note, EyeLock's loss for the quarter was $4.6 million, and when factoring in our 54% ownership percentage and the impact to VOXX, our net loss would have been approximately $1.5 million.

Investments in R&D are essential for our company and we fully intend to support each of our business segments to ensure we are driving technology. While these investments may not translate into immediate sales and would curtail profitability, they are what will fuel our future growth.

R&D for EyeLock is in full swing. We remain in tests with Diebold and Citibank, and Tyco recently announced its integration of EyeLock's nanotechnology into their solutions portfolio, providing end-users with expanded options for a highly-secure access control solution. We are also working with Wistron and remain in tests to integrate EyeLock's technology into computers, laptops, printers, and portable devices.

In automotive, R&D is critical and has led to our contract wins that will translate into sales as the production start for many of these programs will begin next year. The same can be said for premium audio as increased investments in R&D led to the introduction of the new digital products we are launching this year.

We are confident that FY17 will show a return to growth, driven by strength in our consumer accessories and premium audio segments. And with automotive flat to down modestly due to a timing of OEM programs, gross margins are expected to be consistent with the prior year and our total operating expenses, even with the addition of a full year's worth of EyeLock's overhead, should be down. As we move further along into the year we will provide more clarity around our expectations.

I'll turn the call over to Mike now to touch upon our balance sheet and then we will open up the call for questions. Michael?

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

Thanks, Pat. Good morning, everyone. Pat provided details around our quarter-one performance as it relates to the income statement, so I will focus my remarks on our balance sheet, but I would like first to provide more color around our R&D spend.

In the first quarter of FY17 our total R&D expenses were $10.3 million versus $5 million last year, up $5.3 million. $2.8 million of this increase was in our automotive segment and is in support of both current and future OEM programs we are working on, as well as new technologies being developed by VOXX Hirschmann. Premium audio R&D increased approximately $500,000 and this was for the continued development of new digital solutions that Pat referenced earlier.

Consumer accessories R&D increased by $2 million with the bulk of the R&D allocated to support the future generation of EyeLock iris authentication solutions. Our core overhead was flat when removing EyeLock-related expenses. Without EyeLock expenses and the R&D increases associated with our business segments, core overhead would've been down $3.3 million. We continue to look for synergies and other cost savings that will drive better bottom-line performance.

Now for the balance sheet. Our cash position as of May 31, 2016, was $8.6 million versus $11.8 million as of February 29, 2016. Cash receivable net was $78.9 million, down $8.2 million, while our accounts payable net were at $57.8 million, up $2 million. Our inventory position stood at $150.6 million, up $6.6 million, and this was principally due to higher inventory in support of product load-ins planned for the second quarter within our consumer accessories and premium audio segments.

Our total debt as for the quarter-end, less our current portion of long-term debt and less debt issuance costs, stood at $91.9 million, as compared to $88.2 million, an increase of $3.7 million. The increase was in our domestic credit facility which amounted to $86.2 million at quarter end, but is offset by the settlement of our mortgage related to our Klipsch headquarters in Indianapolis. During the quarter we repaid this mortgage in the amount of $5.6 million in conjunctions with our amendment to our credit facility.

Also as an offset, our euro asset-based lending obligations used to support VOXX Germany declined by $800,000. You can find a breakout of our debt position on page 21 of our 10-Q.

As I discussed on our last call in April, we closed on our second amended and restated credit agreement which provided a total facility of $155 million composed of $140 million asset-based loan and a $15 million four-year term loan. The ABL can be increased at our option up to $175 million. The ABL is secured by accounts receivable inventory in certain assets of the Company and our term loan is secured by the Company's trademarks.

Details on our facilities and debt position can be found on our Form 8-K on page 21.

As of May 31, our excess availability related to our revolving credit facility borrowing base was $22 million. We expect to be generating positive operating income and EBITDA in FY17 and have the necessary resources to execute our plan to support R&D investments for all our segments.

This concludes my prepared remarks and I know open up the call for questions. Operator?

QUESTION AND ANSWER

Operator

(Operator Instructions) Rob Stone, Cowen and Company.

Rob Stone - ***Cowen and Company* - *Analyst***

I have a few questions. The first one, Pat, on your commentary about the overall growth and segment outlook for this year.

If automotive is going to be down to flat as you mentioned, do you see enough growth in consumer accessories and premium audio to get to, say, mid-single-digit kind of overall top line for the year?

Pat Lavelle - ***VOXX International Corporation* - *President & CEO***

Yes, we anticipate that we will grow sales, even with the automotive segment being flat. We are expecting to see good load-ins for new launches of our digital products at Klipsch and we have a number of launches scheduled for the third quarter within our accessory group. We think that the combination of those increases will offset any declines that we see in the automotive sector and give us some growth.

Rob Stone - ***Cowen and Company* - *Analyst***

Okay. Any more color you can provide any action camera category? The leading player in that segment has seen a lot of tough compares lately. Of course, you are riding the back of new products with different capabilities, but what is your general thought on that segment?

Pat Lavelle - ***VOXX International Corporation* - *President & CEO***

The feeling -- it's still an active market. It's still a $1 billion-plus market and there aren't that many players in it. There are new players coming, but there aren't that many new players entering the market that are a true action camera. There may be companies coming in that are 360, but they are not robust enough to be used while surfing or skiing or something like that.

Our ability to stream live on our new 4K camera is very positive. We have a lot of new functionality in that camera over the HD camera we've been selling, so we anticipate some good increases within our 360 play category no matter what happens with the competition.

I think the competition has been very successful; they established a new market. But it's tough to keep that hockey stick growth and I think we are feeling some of the problems that exist in any business as you try to repeat outstanding growth.

Rob Stone - ***Cowen and Company*** - ***Analyst***

Okay. On gross margins I think you said you expect full-year gross margins to be comparable. In the premium audio segment margins were up quite nicely. Is that sustainable on the back of these new digital products?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

With the new launches of any product, we always see a lift in margins and then as the products mature somewhat the margins will decline. But I would think this year with the multitude of new launches we have with new product that it will be sustainable for this year.

Rob Stone - ***Cowen and Company*** - ***Analyst***

Great. With respect operating expenses, you guided that they should be down on the year, notwithstanding the increased investment in EyeLock. In what areas otherwise are there offsets, if you are investing in EyeLock and R&D as noted?

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

We've done a lot of work over the last two years, both in our premium audio sector and in our accessory group, to bring down overhead as we saw those sales decline somewhat. So we believe that both of those operations' overhead will be lower than last year. That's helping to offset the increase that we see coming from EyeLock.

In addition, part of our R&D spend in the automotive group is covered by NRE payments that we charge to our customers for certain programs and certain contracts. We did not really receive any NRE payments for the first quarter of this year, but there are NRE payments scheduled and that will reduce the overhead over and within our automotive group as well. So when I combine all that and I look at the overhead that we have for EyeLock, we should be down.

Rob Stone - ***Cowen and Company*** - ***Analyst***

Great. A couple of questions for Michael, if I may. Can you provide any color on the equity and other nonoperating income items in the quarter?

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

You talking about the equity investee, ASA?

Rob Stone - ***Cowen and Company*** - ***Analyst***

Right.

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

Yes, they are having a good quarter. They had a good quarter with the business that they are involved. They are over in the specialty marketing area, which is marine vehicles, trucks, buses, that type of product.

Rob Stone - ***Cowen and Company*** - ***Analyst***

Okay. And then other income besides the ASA equity?

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

We really don't have -- this year, this quarter we didn't have that much. We had some foreign exchange gains and a little bit of losses.

Rob Stone - ***Cowen and Company*** - ***Analyst***

Okay. My final question, Michael, is on the tax rate. First quarter I think it was around 18.5%. Can you comment on the outlook for the full year?

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

The taxes are going to be driven by the -- when we did the goodwill and intangibles, they're coming through on a gap basis. We have a naked credit due to the losses. It should kind of towards the third or fourth quarter, as the Company returns to profitability, get back up to the 35% level on a GAAP basis.

Rob Stone - ***Cowen and Company*** - ***Analyst***

All right. So 35% or so in the second half?

Michael Stoehr - ***VOXX International Corporation*** - ***SVP & CFO***

Yes, stay with that. It's just the timing now that we have with the way the profitability is running.

Rob Stone - ***Cowen and Company*** - ***Analyst***

Okay, thanks very much. That's all I had.

Operator

(Operator Instructions) I'm showing no further questions at this time. I would like to turn the conference back over to Mr. Lavelle for closing remarks.

Pat Lavelle - ***VOXX International Corporation*** - ***President & CEO***

Thank you. Obviously, we don't like to see losses, but I can tell you that we are ahead of our internal plan as we move into the second quarter. We anticipated these losses because of the additional investments that we are making, but we expect that with increased sales as we move into our second quarter but our most important third quarter that we will right this ship and get it back to profitability.

With the addition of the new programs that we expect to see starting within the automotive space, as early as January this year, providing everything stays on launch schedule and everything, that we will start to return this company to significant growth. I want to thank you for your interest and I wish you a good afternoon.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does include the program and you may all disconnect. Have a great day, everyone.