

Pixelworks and Analog Devices Join Forces to Deliver Unmatched Performance for Flat Panel Display Electronics

October 12, 2000

Tualatin, Ore., October 12, 2000 — Pixelworks, Inc. (NASDAQ:PXLW) and Analog Devices, Inc. (NYSE:ADI) announced a joint effort today to combine Analog Devices' state-of-the-art analog and digital receiver technology with Pixelworks' award-winning system-on-a-chip ImageProcessor ICs to achieve the industry's highest performance dual-interface display technology. Terms of the agreement were not disclosed.

Under the agreement, Pixelworks will market a family of products that integrate Analog Devices' display interface technology with Pixelworks' ImageProcessor IC technology. Analog Devices will supply both a triple analog-to-digital converter and compatible TMDS digital receiver interfaces supporting displays with resolution up to SXGA. The TMDS receiver is compliant with the Digital Visual Interface (DVI) 1.0 open standard. In addition, the new IC will provide High-bandwidth Digital Content Protection (HDCP).

By combining the technologies, the resulting single chip will contain all of the functions needed to operate an LCD monitor, including scaling technology, OSD Controller, on-board microprocessor, PLLs and digital and analog receivers for an all-in-one solution. The ImageProcessor ICs using the Analog Devices core are anticipated to be available in 2001.

This agreement furthers the relationship between Analog Devices, a world leading IC manufacturer with top market share in flat panel display interface technology, and Pixelworks, a leading designer and developer of system-on-a-chip semiconductors and software that enable the visual display of broadband content. The two companies have been developing joint reference designs for advanced display products for more than three years. In January 2000, Analog Devices participated in Pixelworks' Series D financing to cement their strategic relationship.

"This alliance extends our collective technical leadership to capitalize on the explosive growth in the flat panel monitor, multimedia projector, and advanced television markets. We're confident the combination of our 'best of breed' technologies will gain rapid acceptance by leading manufacturers of display products," said Robbie McAdam, Vice President and General Manager, Analog Devices.

"Analog Devices is respected as the world's leading display interface company," said Allen Alley, CEO, President and Chairman of Pixelworks. "By combining our technologies, we can offer our customers premium performance while continuing to drive cost out of the system through unprecedented levels of integration."

Analog Devices will also design a high performance, mixed-signal chip layout for each of these products and develop a mixed-signal test solution to ensure the highest possible image quality. The combined technologies will create a highly integrated digital-ready display controller, while providing legacy compatibility with the world's one billion installed PCs.

The performance provided by Analog Devices' display interface electronics and Pixelworks' ImageProcessor ICs already drives the industry's most highly regarded flat panel monitors, which have earned the coveted PC Magazine's Editors' Choice, CNET's Editors' Choice, Smart Business' Editor's Pick, and Winmag.com's WinList.

About Analog Devices, Inc.

With \$1.8 billion in revenues for the first three quarters of fiscal year 2000, Analog Devices is a leading manufacturer of precision high-performance integrated circuits used in analog and digital signal processing applications. Headquartered in Norwood, Massachusetts, the company employs approximately 8,600 people worldwide and has manufacturing facilities in Massachusetts, California, North Carolina, Ireland, the Philippines and Taiwan. Analog Devices' stock is listed on the New York Stock Exchange and the company is included in the S&P 500 Index. For additional information on Analog Devices' flat panel interface solutions, please visit www.analog.com/flatpanel.

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, designs, develops and markets system-on-a-chip semiconductors and software that enable the visual display of broadband content through a wide variety of electronic devices. Pixelworks' solutions process and optimize video, computer graphics and Web information for display on a wide variety of devices used in business and consumer markets. For more information, please visit the company's Web site at www.pixelworks.com.

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Safe Harbor Statement

This press release contains statements, including statements concerning the acceptance of the combined technologies by leading manufacturers, that are forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Such statements are based on current expectations, estimates and projections about the company's business. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual results could vary materially from the description contained herein due to many factors including the non-acceptance of the combined technologies by leading manufacturers as well as the risks detailed from time to time in the company's Securities and Exchange Commission filings. The forward-looking statements contained in this press release speak only as of the date on which they are made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this news release. If the company does update one or more forward-looking statements, investors and others should not conclude that the company will make additional updates with respect thereto or with respect to other forward-looking statements.