

## Pixelworks Announces PixelAmp+(TM) Universal Color Processor IC for Enhancing Image Quality on Advanced Television Systems

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LAS VEGAS, Jan 08, 2007 (BUSINESS WIRE) -- Pixelworks, Inc. (NASDAQ:PXLW), a leading provider of system-on-chip ICs for the advanced display industry, announced today the PixelAmp+(TM) Universal Color Processor IC that uses a proprietary video processing algorithm to increase color performance for more brilliant images on advanced TVs. The PixelAmp+ IC is a post-processing chip which opens a unique market opportunity because the chip can supplement advanced television systems using image processing platforms from any IC supplier.

The PixelAmp+ family of ICs, which include the PW9702 and PW9705 parts, uses proprietary video processing techniques to increase color performance and enhance edges for a more brilliant, crisper image--even on high-definition content. For lower resolution images, PixelAmp+ technology recovers clarity which improves consumer experiences when viewing legacy content on today's advanced television systems.

For television system manufacturers and OEMs, PixelAmp+ chips offer a simple, low-cost path to differentiation through video performance. The PixelAmp+ IC is simple to integrate into any system since it is a post-processing chip that resides at the end of the signal path. The chip has a small footprint on the system circuit board and requires no additional software.

"Our PixelAmp+ chip opens an exciting new opportunity for us to dramatically enhance image quality in a wider number of systems," said Hans Olsen, CEO and President of Pixelworks. "PixelAmp+ processing takes high-def content and makes it appear even higher def by boosting colors and contrast for an even more realistic image. This technology is a new vehicle for introducing Pixelworks technology that can significantly increase the value of our customers' products."

The PixelAmp+ Universal Color Processor ICs include unique demo modes that can display the impact of the processing in several configurations. In a competitive retail environment, for example, the demo modes are capable of attracting potential buyers by enabling them to see the improvements in a dynamic way.

The PixelAmp+ Universal Color Processor IC is sampling now and will be available in the first quarter. The PW9702 and PW9705 are available in a 176-pin EP TQFP package. To learn more about these products, contact the Pixelworks sales office in your region. A list of contacts is available at www.pixelworks.com.

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, is a leading provider of system-on-chip ICs for the advanced display industry. Pixelworks' solutions provide the intelligence for advanced televisions, multimedia projectors, digital streaming media devices and flat panel monitors by processing and optimizing video and computer graphics signals to produce high quality images. Many of the world's leading manufacturers of consumer electronics and computer display products utilize our technology to enhance image quality and ease of use of their products.

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 that are forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Statements by Hans Olsen and statements such as "The family of PixelAmp+ Universal Color ImageProcessor ICs will be available in the first quarter" 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 business and economic conditions; changes in growth in the advanced display industry, including without limitation the HDTV or digital projector industries; the non-acceptance of the technologies by leading manufacturers; competitive factors such as rival chip architectures or pricing; discovery of any material and currently unknown product problems; shortages of manufacturing capacity from or failures in timely delivery by our third-party foundries; litigation involving antitrust and intellectual property and other risk factors listed from time to time in the company's Securities and Exchange Commission filings. In addition, such statements are subject to the risks inherent in investments in and acquisitions of technologies, including the timing and successful completion of technology and product development through volume production, integration issues, unanticipated costs and expenditures, changing relationships with customers, suppliers and strategic partners, and potential contractual, intellectual property or employment issues. 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

SOURCE: Pixelworks, Inc.

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