



Sony Chooses Pixelworks ImageProcessor ICs for Newest Line of LCD Televisions; Two Flat Screen Televisions are at the Center of Sony's Desktop WEGA Theater

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TUALATIN, Ore.--(BUSINESS WIRE)--June 11, 2002--Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-a-chip ICs for the advanced display market, today announced that Sony's latest two LCD televisions for the consumer market use Pixelworks ImageProcessor system-on-a-chip ICs to deliver outstanding image quality and compatibility with video sources ranging from interlaced broadcast signals to any HDTV format.

The wide-screen KLV-17HR1 and standard KLV-15SR1 models that went on sale this week in Japan mark the first collaboration on LCD televisions between Sony and Pixelworks.

The KLV-17HR1 and KLV-15SR1 models are the first LCD televisions to join Sony's premium flat-screen WEGA(R) brand. The KLV-17HR1, a 17-inch, WXGA-resolution LCD, and the KLV-15SR1, 15-inch, XGA-resolution LCD, are powered by Pixelworks ImageProcessor ICs that provide image scaling and reshaping, plug-and-play compatibility and an intuitive on-screen display.

The market for LCD televisions is experiencing rapid growth with approximately 70 percent increases projected annually through 2005, according to DisplaySearch. LCD televisions are expected to sell 1.5 million units worldwide this year growing to more than 14 million units in 2006.

"The Pixelworks ImageProcessor Architecture provided us with the flexibility to develop multiple LCD television models using a common board and software architecture that accelerated our time to market," said Hiroshi Murayama, senior manager, LCD TV Department, Home Network Company, Sony Corporation. "We are looking forward to introducing additional models using Pixelworks ImageProcessors later in 2002."

"We are proud that Sony selected Pixelworks since they are recognized to have an unwavering commitment to delivering the best consumer electronics," said Allen Alley, CEO, president and chairman of Pixelworks, Inc. "These sleek televisions are a fantastic alternative and will drive higher penetration of flat panel displays into the home."

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, is a leading provider of system-on-a-chip ICs for the advanced display market. 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. Pixelworks ImageProcessor Architecture powers the world's most highly regarded flat panel display products, including monitors, advanced televisions and projectors marketed by Compaq, Dell, NEC-Mitsubishi, Samsung, SANYO, Sharp, Sony and ViewSonic. For more information, please visit the company's Web site at www.pixelworks.com.

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This press release contains statements 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 those described above and the following: business and economic conditions, changes in growth in the flat panel monitor, multimedia projector, and advanced television industries, changes in customer ordering patterns, competitive factors, such as rival chip architectures, pricing pressures, insufficient, excess or obsolete inventory and variations in inventory valuation, continued success in technological advances, shortages of manufacturing capacity from our third-party foundries, litigation involving antitrust and intellectual property, the non-acceptance of the combined technologies by leading manufacturers, and other risk factors listed 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.

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