



Pixelworks New Digital TV Reference Designs Slash Time to Market for World's Leading Consumer Electronics Manufacturers

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LAS VEGAS--(BUSINESS WIRE)--Jan. 9, 2003--Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-a-chip ICs for the advanced display market, introduced today two new production-ready designs that offer extremely fast time to market for manufacturers of flat panel televisions using LCD or plasma technology.

Two of the world's leading consumer electronics manufacturers are leveraging these designs for their first entries in the rapidly growing flat panel television market. Changhong, the largest television manufacturer in China, and Vestel, Europe's second largest television manufacturer, are planning on introducing their first flat panel televisions in the first quarter of 2003.

By rigorously studying market demands and evaluating systems for performance and cost, Pixelworks developed production-ready designs that an advanced television manufacturer can quickly implement based on Pixelworks' complete hardware and software solution. The Digital TV Production Reference Designs leverages all of Pixelworks' experience as the leading supplier to the broadest range of advanced display applications.

Digital televisions require not only advanced silicon solutions, but also advanced software, using Pixelworks internal microprocessor, as well as experienced system oriented customer support experts to implement the lowest cost, advanced display products with the fastest time to market. Rather than forfeit valuable time developing a system design, a manufacturer can get a jump on the competition while still offering a unique product with its own 'look and feel.'

"Getting a manufacturer's advanced TV to market even a week earlier can have a big impact on our customer's revenue and market share. That's the strategy behind our Digital TV Production Reference Designs," said Allen Alley, CEO, President and Chairman of Pixelworks, Inc. "By following our reference design, we have helped leading manufacturers get to market in a fraction of the time while minimizing their development expense so they tap those markets sooner with less investment."

The market for advanced TV is expected to grow in the coming years as the world transitions to digital televisions. According to industry analysts, there were approximately 6-7 million advanced televisions sold in 2002 growing to over 30 million in 2005 for a compound annual growth rate over the next three years of approximately 70 percent.

"Pixelworks' Production Reference Designs utilize proven Pixelworks ICs, software and hardware designs enabling us to introduce five LCD televisions in the time it would have taken us to create just one. These five designs will be in production next month and mark our entry into the LCD TV market," said Changhong's Mr. Mo Ye, Director, LCD Television. "With both sides' help, we estimate that we saved months of development time."

"We are using a Pixelworks reference design for our new generation of plasma displays for the European market where performance and innovative features are key," said Mr. Celal Ozkul, Manager of TV Research and Development, at Vestel, one of the largest television manufacturers in Europe. "Not only are we getting into this new technology quickly, but Vestel's plasma displays will have new features and performance that put us ahead of what is currently available in the marketplace today."

Two Pixelworks Designs Cover the Price-Performance Spectrum

Pixelworks has developed two initial Television Production Reference Designs targeting the Advanced segment that emphasizes sophisticated features and high-performance along with the Value-oriented segment that emphasizes essential features and price performance.

The Value-oriented Television Production Reference Design offers the following list of essential features:

- Multiple input support -- standard TV (NTSC/PAL) and HDTV (480p/720p/1080i) up to WXGA
- Advanced Pixelworks scaling -- (non-linear, multi-regional scaling with intelligent 4:3 and 16:9 aspect ratio conversion)
- Motion adaptive deinterlacing including dynamic low angle interpolation, film mode detection with 2:2 and 3:2 pull-down, noise reduction, and video enhancements with DLTi, DCTi, brightness, contrast, saturation, hue
- Gamma Correction
- Closed captioning and V-chip support
- Teletext support
- 16-color bitmapped on-screen display

In addition, the Advanced Television Production Reference Design adds the following features:

- Intelligent Windowing including PIP, Split Screen, and POP
- Support up to WUXGA
- Dual-tuner support

- Advanced 256-color bit-mapped on-screen display for photographic quality user interfaces

To learn more about the Pixelworks Television Production Reference Designs, contact the Pixelworks sales office in your region. A list of contacts is available at www.pixelworks.com/contact.

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, including flat-panel monitors, digital televisions and multimedia projectors. Our broad IC product line is used by the world's leading manufacturers of consumer electronics and computer display products to enhance image quality and ease of use. For more information, please visit the company's Web site at www.pixelworks.com.

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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.

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