



Pixelworks Introduces New Generation of Video Processing ICs Delivering State-of-the-Art Performance to the Advanced Television Market

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Patent pending deinterlacing, scaling and video enhancement technology sets a new price-performance benchmark for high-quality digital video images

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, unveiled a flexible new family of video processing ICs that will bring state-of-the-art video performance to the growing advanced television market.

The PW1225, PW1231 and PW1235 Video SignalProcessor ICs combine multiple functions into a single chip enabling simple, flexible and cost-effective solutions for digital and analog television manufacturers.

The latest family of Video SignalProcessor ICs is aimed at every major segment of the advanced television market including the PW1225 for mainstream CRTs, the PW1231 for entry-level LCD televisions and the PW1235 for high-performance flat panel televisions using LCD, plasma and rear projection technologies. The new family of Video SignalProcessors incorporates Pixelworks' patent pending deinterlacing, scaling and video enhancement technologies using highly efficient video algorithms that deliver excellent video quality on any progressive scan display, while meeting the cost demands of the high-volume consumer electronics market.

"For this latest evolution of our video processing architecture our design team achieved breakthroughs that improved the on-screen image while at the same time lowering costs. Consumers can now look forward to enjoying a cinema-quality experience on new, affordable digital televisions, made possible by Pixelworks," said Allen Alley, CEO, President and Chairman at Pixelworks, Inc.

The new family of video processing ICs handles the breadth of requirements across the fast-growing advanced television market. The PW1225 serves the analog market and the PW1231 is designed for use in digital displays. For high-performance digital or analog televisions where premium features are required, the PW1235 offers dual-input support (ITU-R BT601 and ITU-R BT656), including picture-in-picture, split screen and transparency support.

Key features of the new Video SignalProcessor family include:

- PW1231: two input ports: ITU-R BT601 and ITU-R BT656
- PW1235: three input ports: ITU-R BT601, ITU-R BT656, and 24-bit port
- Automatic input format detection with per-pixel motion compensated deinterlacing for artifact-free video images
- Dynamic low-angle interpolation to eliminate "staircasing" video artifacts
- Motion adaptive noise reduction
- Film mode detection for 3:2 and 2:2 pull-down for both NTSC and PAL applications
- Independent horizontal and vertical scaling up/down (downscaler is PW1235 specific)
- Digital Color Transient Improvement (DCTI) and Digital Luminance Transient Improvement (DLTI)
- Digital brightness, contrast, hue and saturation control
- Digital luminance peaking
- Black level expansion
- Frame rate conversion
- Color space conversion
- Copy protection including Macrovision anticopy facility and CGMS

The PW1235 Video Signal Processor is currently in production while the PW1225 and PW1231 are sampling and are expected to be in production in the first quarter. To learn more about the PW1225, PW1231 and PW1235 Video SignalProcessor ICs, contact the Pixelworks sales office in your region. A list of contacts is available at www.pixeworks.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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