



LG Electronics Selects Pixelworks to Power New 17-inch Widescreen LCD TVs for Worldwide Market

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TUALATIN, Ore., Feb 14, 2003 (BUSINESS WIRE) -- Pixelworks, Inc. (NASDAQ:PXLW), a leading provider of system-on-a-chip ICs for the advanced display market, announced today that LG Electronics, one of the leading LCD television manufacturers in the world, has selected Pixelworks ImageProcessor technology to drive LG's new 17-inch widescreen LCD television products.

The LG WXGA-resolution Flatron(TM) LCD television using the new PW181 ImageProcessor IC marks the worldwide debut of Pixelworks' new suite of Digital TV features that set a new standard for how consumers experience their TVs with Intelligent Windowing(TM) and an enhanced graphical user interface. With Pixelworks ImageProcessor Architecture, the RZ-17LZ10 widescreen LCD TV delivers outstanding images from standard television, HDTV and computer sources on a high-performance LG.Philips LCD screen.

LG implemented Pixelworks Intelligent Windowing(TM) in the RZ-17LZ10 that pushes content management on televisions to a new level with many options for configuring the on-screen content, including picture-in-picture (PIP), split screen, and picture-on-picture (POP) enabling multiple sources and channels to be displayed simultaneously. Taking it one step further, Pixelworks Intelligent Windowing(TM) technology uses advanced scaling to allow users to resize and relocate windows to suit their viewing preference. LG also worked with Pixelworks to design an attractive and intuitive user interface that helps consumers smoothly operate their televisions.

LG Electronics announced in January its commitment to the digital TV business with a \$1.35 billion investment in research and development and marketing with the goal of becoming the world's largest maker of digital TVs by 2005. According to DisplaySearch, the worldwide LCD television market is expected to grow rapidly over the next 18 months from approximately 480,000 units in the fourth quarter of 2002 to more than 2 million units in the third quarter of 2004.

"For our newest widescreen LCD televisions, we wanted to stand above all others in the worldwide market," said Mr. S.G. Choi, Chief Research Engineer at DND(TV) Division Digital Display Multimedia Company, LG Electronics. "With the help of Pixelworks, the RZ-17LZ10 will help consumers explore new and exciting ways to experience digital television content."

"We are proud to be working with LG, a worldwide leader in consumer electronics, to introduce an LCD television that opens new possibilities for enjoying digital entertainment," said Brad Zenger, Vice President of Sales and Marketing of Pixelworks, Inc. "Pixelworks is looking forward to partnering with LG on future LCD TV products that we anticipate will be introduced through the coming year."

The RZ-17LZ10 model for Europe is currently available, with additional versions for Korea and the U.S. markets planned for the second quarter. The U.S. version will be marketed under the LG and Zenith brand names.

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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Safe Harbor Statement

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. In addition, such statements are subject to the risks inherent in investments in and acquisitions of technologies and businesses, 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, potential contractual, intellectual property or employment issues, accounting treatment and charges, and the risks that the investment or acquisition cannot be completed successfully or that anticipated benefits are not realized. 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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