



Pixelworks Introduces CornerKlick 'Point and Click' Keystone Correction for Digital Projectors

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Innovative Feature Dramatically Improves Ease of Use for Business and Consumer Projectors

ORLANDO, Fla., Jun 2, 2003 (BUSINESS WIRE) -- Pixelworks, Inc. (Nasdaq:PXLW), the leading provider of system-on-a-chip ICs for the advanced display industry, today introduced CornerKlick(TM) -- the latest advancement in digital keystone correction that gives users much greater flexibility in where projectors can be placed in a room.

CornerKlick digital keystone correction makes projectors dramatically easier to use by taking the guesswork out of setting up projectors.

Rather than aiming the projector at the screen and manually "squaring it up" through trial and error, with Pixelworks' patent-pending CornerKlick digital keystone correction, projector users simply identify the four corners of the projection screen using a remote control pointer. The Pixelworks system-on-chip electronics process the information to calculate and render a perfectly squared projected image that snaps instantly into place.

Pixelworks developed the innovative CornerKlick feature by combining the latest image processing technology with a deep understanding of how end-users want projectors to work. Ongoing improvements in ease of use combined with significant cost reduction efforts across the projector industry are critical to opening the benefits of digital projection to new users. Affordable consumer projectors with CornerKlick keystone correction will enable more consumers to easily and inexpensively bring the theater experience home.

"Projector manufacturers are really focusing on providing better, easier to use projectors," says Jennifer Gallo of market research firm IDC. "Next to price, ease of use outranks technology, size, weight and brand image as key purchasing factors in a recent IDC survey," Gallo says.

"Our design teams continue to invent new ways to make using a digital projector as effortless as possible," said Brad Zenger, Senior Vice President of Marketing and Sales at Pixelworks, Inc. "Currently several of our projector customers are planning to implement CornerKlick keystone correction and we are optimistic that it will be 'must-have' feature next year and could result in greater adoption of both business and consumer projectors."

CornerKlick is the latest innovation in digital keystone correction from Pixelworks. As the leader in keystone correction technology Pixelworks first introduced digital vertical keystone correction in 1999 and followed with a combination of vertical and horizontal keystone correction in 2001.

Prior to Pixelworks introducing digital keystone correction for the projector market, the laws of geometry or expensive optical or mechanical systems dictated where projectors could be placed to project a square image. Unless the projector was placed perfectly perpendicular and focused on the center of the screen, the image would be distorted. The top would be wider than the bottom or one side would be larger than the other side. The resulting image would be a trapezoid instead of a clean rectangle with sharp corners. This annoyance is known as keystone because the distorted image resembles the center stone in an arch...the keystone.

The CornerKlick feature is currently available on Pixelworks' latest generation of system-on-chip ICs for the digital projector industry.

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, is a leading provider of system-on-a-chip ICs for the advanced display industry. Pixelworks' solutions process and optimize video, computer graphics and Web information for display on a wide variety of devices used in business and consumer applications, 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 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

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