



Tatung Standardizes on Pixelworks ImageProcessor Architecture for Four New Plasma Televisions

07/29/03

TAIPEI, Taiwan, Jul 29, 2003 (BUSINESS WIRE) -- Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-chip ICs for the advanced display market, today announced that Tatung, the largest manufacturer of electronics, home appliances and industrial equipment in Taiwan, is using Pixelworks ImageProcessor ICs in a new line of plasma displays (PDPs) for the consumer television market.

The new models announced this week in Taiwan, mark the first collaboration on plasma televisions between Tatung and Pixelworks. The four new PDPs are the latest advanced displays developed under Tatung's New Displays product initiative targeting the fast growing flat panel display market. Tatung, founded in 1918, manufactures and markets televisions under the Tatung brand and manufactures televisions under contract for some of the world's leading consumer electronics companies.

Pixelworks ImageProcessor Architecture powers the complete line of Tatung's new plasma displays that includes 42-inch, 46-inch, 50-inch and 63-inch models. The 63-inch plasma is one of the largest plasma displays available through consumer electronics retail channels.

The new line of plasma displays uses Pixelworks ImageProcessor system-on-chip ICs to deliver outstanding image quality and compatibility with a wide range of standard and high definition video sources. Pixelworks award-winning scaling technology automatically senses incoming standard and high definition video signals and automatically configures the display to produce the best possible image. Pixelworks deinterlacing technology is also used in the displays to provide clear, natural-looking, larger-than-life images.

"Tatung is fully committed to rapidly making the transition from conventional CRT televisions to developing advanced flat panel displays," said W. S. Lin, President of Tatung. "The Pixelworks ImageProcessor Architecture accelerated our rapid transition to digital television design by providing the flexibility to develop multiple plasma models using common board design and software architecture."

"We are proud that Tatung selected Pixelworks to help extend its leadership into rapidly growing market for advanced televisions," said Allen Alley, CEO, President and Chairman of Pixelworks, Inc. "These impressive plasma televisions offer consumers outstanding performance and value and will drive higher penetration of flat panel displays into homes worldwide."

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, is a leading provider of system-on-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 including flat-panel monitors, digital televisions and multimedia projectors used in business and consumer markets. 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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