



Pixelworks Debuts New Line of All-in-One ImageProcessor ICs for Advanced TVs at CES '05

January 5, 2005

LAS VEGAS--(BUSINESS WIRE)--Jan. 5, 2005--Pixelworks, Inc. (Nasdaq:PXLW):

- Highly integrated, mixed signal ICs combine video decoding, ADC, deinterlacing and image processing functions for a true single-chip solution featuring the performance of DNX(TM) video processing technology

Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-chip ICs for the advanced display market, today announced that it is continuing to raise the bar on advanced television electronics with the introduction of two new all-in-one ImageProcessor ICs for the advanced television market. The PW106 and PW328 ImageProcessor ICs debut this week at the Pixelworks Technology Suite at the 2005 International Consumer Electronics Show in Las Vegas.

Building on the highly successful Photopia(TM) product family launched last year, the PW106 and PW328 add an industry proven video decoder and high-speed ADC to a second-generation Photopia image processing core to provide a one-chip TV solution that is compatible worldwide. These ImageProcessor chips share the software architecture with the Photopia product family to allow a smooth migration from existing platforms, resulting in fast time to market and lower systems cost for television manufacturers. In addition, Pixelworks has included a series of advanced features to help manufacturers differentiate their television products and provide seamless migration paths towards DTV integrated platforms.

The PW106 ImageProcessor IC is a cost-optimized design for single channel televisions between 15-inch and 32-inch diagonal sizes. The PW106 provides a low cost, single-channel solution while maintaining image quality required for advanced televisions. The PW106 offers the latest in DNX(TM) deinterlacing technology with a high performance video decoder. The PW106 includes advanced LAI+ low-angle interpolation to reduce 'jaggies,' flesh-tone correction, and vertical peaking to greatly enhance image sharpness for high-definition displays, including WXGA (1,366 by 768) and UXGA (1,600 by 1,200).

The PW328 is Pixelworks' most advanced ImageProcessor IC designed for advanced dual-channel television systems targeted specifically at displays with diagonal resolutions greater than 26 inches. The PW328 is pin and software compatible with the PW106 and provides unparalleled sharpness, color and performance. In addition to the features in the PW106, the PW328 also includes Gigacolor(TM) 10-bit processing to eliminate color banding and image processing artifacts, full dual-stream processing for PIP/POP/PBP functionality, 12-bit output for compatibility with advanced 68-billion color displays and full 1080-progressive (1920x1080) and WUXGA (1,920 by 1,200) output compatibility.

"The PW328 and PW106 ImageProcessor ICs represent the most compelling one-chip solution for advanced televisions on the market. They feature a proven video decoder that works worldwide, best-of-class DNX video performance and are compatible with our existing products which makes these chips a logical choice as manufacturers continue to reduce costs for the next generation of advanced televisions," said Allen Alley, CEO, President and Chairman of Pixelworks, Inc. "We are excited to build upon the momentum in our Photopia architecture by offering these products that are a fully integrated solution to lower system costs and improved overall performance."

The PW106 and PW328 ImageProcessor ICs include the following features:

- Advanced interface integration including LVDS output, unified memory architecture (UMA) to eliminate peripheral memories, and x16/x32 DDR compatibility to provide memory sourcing flexibility.
- Eighteen analog inputs to replace external muxing requirements and audio synchronization to ensure video and audio outputs remain synchronized.
- An advanced 5-line 3-D comb filter that is compatible with PAL, SECAM and NTSC video formats.
- SenseSlice technology, the world's most sensitive VBI slicer, allows Teletext compatibility in even the most difficult European locations.
- PixelExpress Bus enables compatibility with the Pixelworks PWM2000 MediaProcessor IC family of MPEG decoders for seamless migration to DTV platforms using a single system architecture across products with various feature requirements.

The products will sample to customers this month with production shipments in the second quarter followed by volume production in the second half of 2005. To learn more about the PW328 and PW106 ImageProcessor ICs, 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-chip ICs for the advanced display industry. Pixelworks' solutions provide the intelligence for advanced televisions, multimedia projectors and flat panel monitors by processing and optimizing video and computer graphics signals to produce high quality images. Many of the world's leading manufacturers of consumer electronics and computer display products utilize our technology to enhance image quality and ease of use of their products.

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. Statements such as "will sample to customers this month with production shipments in the second quarter followed by volume production in the second half of 2005" 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 business and economic conditions; the non-acceptance of the combined technologies by leading manufacturers; changes in growth in the advanced television industry; competitive factors such as rival chip architectures or pricing; discovery of any material and currently unknown product problems; shortages of manufacturing capacity from or failures in timely delivery by our third-party foundries; litigation involving antitrust and intellectual property, 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, 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, and potential contractual, intellectual property or employment issues. 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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