



## Pixelworks Introduces New 'DTV in a Box' Production Reference Design for Quick Development of Feature-Rich ATSC Televisions

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Complete Hardware and Software Package Minimizes Time-to-Market for the Latest Generation of DTVs for the North American Market Using the PWM2000 MediaProcessor IC

LAS VEGAS--(BUSINESS WIRE)--Jan. 5, 2005-- Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-chip ICs for the advanced display market, announced today the introduction of the first Pixelworks(TM) Advanced DTV Production Reference Design for enabling display manufacturers to enter the growing DTV market. The fully ATSC-compliant 'DTV in a Box' utilizes a highly integrated hardware and software design built on proven technologies that offer DNX(TM) -- Digital Natural Expression(TM) video quality and a new intuitive user interface to help ease the transition of consumers to the world of digital television.

For customers with experience using Pixelworks' Production Reference Designs, the new version promises a seamless transition from analog to digital platforms. Pixelworks' unique approach to DTV software allows customers to migrate their existing Pixelworks code directly over to the new processor, saving customers significant engineering time, reducing development risk and speeding time to market.

At the core of system is the PWM2000 MediaProcessor IC, a high-quality, integrated MPEG-2 video decoder that supports ATSC by decoding both MP@HL and MP@ML-compressed video streams -- including all 18 ATSC formats. The PWM2000 includes the PixelExpress bus to allow seamless connection with other image processors from Pixelworks.

"The 'DTV in a Box' is our first DTV reference design based on the PWM2000 products and represents another milestone in our strategy of helping the industry transition to the complex environment of digital television," said Allen Alley, CEO, President and Chairman of Pixelworks, Inc. "By allowing our customers to leverage their existing software infrastructure into DTVs, we have created a unique approach that we believe will give our customers a winning combination as they compete in this new arena."

The Advanced DTV Production Reference Design includes the following list of features:

- ATSC and NTSC compatible system design for a dual-channel television or a scalable platform capable of targeting multiple market segments.
- New advanced 256-color bit-mapped on-screen display with intuitive user navigation and full support for Electronic Programming Guide, Digital Closed Captions and other encoded program information.
- Fast channel and source changes.
- Complete suite of enhanced DNX video processing technology, including Deinterlacing with LAI technology, PixelBoost(TM) pixel overdrive technology, Rich Color Processing with 10-bit color processing capability, Advanced Scaling, sharpness, and noise reduction controls as well as new features for audio synchronization and vertical peaking for the best overall video performance. Learn more about DNX at [www.dnx.tv](http://www.dnx.tv).
- Reference design includes both 8VSB and QAM demodulators to allow compatibility with both ATSC and Digital-cable-in-the-clear sources.

The Advanced DTV Production Reference Design kits are now available. To learn more about the 'DTV in a Box,' contact the Pixelworks sales office in your region. A list of contacts is available at [www.pixelworks.com/contact](http://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](http://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 give our customers a winning combination" 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, changes in growth in the advanced television industry; changes in the standards applicable to the advanced television industry; competitive

factors such as rival reference designs or pricing; discovery of any material and currently unknown product problems; continued success in technological advances; shortages of manufacturing capacity from or failures in timely delivery by 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, 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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