Pixelworks Launches PWBSP-16 Broadband Signal Processor IC for High-Volume, Video-Centric Consumer Applications

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Completely Programmable System-on-chip IC Delivers Multi-codec Solution for High-quality IPTV Video at a Competitive Price

TUALATIN, Ore.--(BUSINESS WIRE)--June 20, 2005-- Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-chip ICs for the advanced display market, today announced that its PWBSP(TM)-16 Broadband Signal Processor IC for high-quality consumer video applications is now sampling to customers worldwide. The PWBSP-16 IC was developed by Equator Technologies, Inc. which was recently acquired by Pixelworks.

The Pixelworks(TM) PWBSP-16 Broadband Signal Processor IC is a fifth-generation system-on-chip IC that extends the capabilities of the successful BSP(TM)-15 product and will help drive the adoption of Internet Protocol television, or IPTV, and other digital video applications. The PWBSP-16 processor significantly reduces cost, breaks video price/performance barriers, and provides a market-ready, programmable, multi-codec solution for consumer electronics (CE) and customer premises equipment manufacturers.

"The PWBSP-16 chip is an exciting milestone for opening up the mainstream markets for IPTV by providing a complete solution for consumer electronics manufacturers to build cost-effective devices to unlock the power of broadband networks for video entertainment and communications," said Allen Alley, President, CEO and Chairman of Pixelworks. "We are helping to accelerate the adoption of Internet Protocol television by creating the easiest path for customers to get cost effective solutions to market in the shortest possible time."

Internet Protocol television allows consumers to view full-motion video or television content, including high-definition, over a network or broadband Internet connection. The market for IPTV set-top boxes, according to industry analysts, is expected to exceed 4 million units in 2005 and will approach 15 million units by 2008.

"IPTV is quickly being adopted in Asia and Europe, while the North American market is also hopeful about the future of this technology," said Dr. Jon Peddie, president of Jon Peddie Research, based in Tiburon, Calif. "The PWBSP-16, supplemented by the Babelfish II hardware reference design, is a solution that can help speed market availability of IPTV sooner rather than later. With the power of a programmable video processor coupled with a reference design available to OEMs from a single provider, IPTV may well see earlier adoption in a wide range of CE devices."

PWBSP-16 Sets New Standards for Integration

The PWBSP-16 chip is architected to streamline the development of systems designed for decoding streaming digital video including IPTV set-top boxes and advanced televisions and devices for video conferencing, security surveillance and digital video recording (DVR). By supporting multiple encode/decode, or codec, formats, this chip offers maximum flexibility and upgradeability as well as rapid adoption of new codecs which can be ported to the platform in months for a significant time-to-market advantage.

The PWBSP-16 IC is completely C/C++ programmable in order to arm manufacturers with the widest range of video and audio codecs and eliminating the need for assembly code programming. Codecs supported by the PWBSP-16 processor include:

- Microsoft Windows Media 9 Series;
- SMPTE VC-1;
- MPEG-2;
- MPEG-4; H.264, Baseline and Main Profile (AVC);
- Real Audio and Video; and
- H.263 and H.323 video conferencing.

Manufactured using a standard 0.13-micron CMOS process, the PWBSP-16 chip runs a VLIW, or Very Long Instruction Word, microprocessor operating at up to 500 MHz. This advanced architecture provides powerful imaging and DSP instructions enabling an unprecedented 14 billion pixel operations per second for optimal encoding and decoding of video up to high-definition resolutions. To lower costs, the highly integrated system-on-chip design includes the following:

- High-speed DDR-SDRAM memory controller that reduces memory cost and doubles memory bandwidth;
- Display refresh controller enabling user interface overlay with alpha blending, and supporting display output ranging from VGA monitors to HDTVs;
- Co-processors to increase overall system performance, including a fast 2D DMA engine and a RISC co-processor optimized for bitstream processing;
- Video filter for up and down scaling;
- 3DES engine for hardware encryption and decryption in support of digital rights management;
- Enhanced array of integrated video and audio input-output control device supporting next-generation CE products, including video processing of high-definition (BT.1120) stream input and output and processing of multiple standard

definition (BT.656) digital video streams;
- Multichannel audio encode and decode via 4 I2S audio inputs and 8 I2S audio stream outputs; and
- Network and peripheral controllers supporting Ethernet, IDE, and NAND flash.

New Reference Design Speeds Time to Market

Rapid adoption of the PWBSP-16 processor is made possible with a new single-processor PWBSP-16 hardware reference design, the Babelfish II Hardware Platform. It offers ODMs and OEMs the ability to quickly create low-cost, mass-production-ready products based on the PWBSP-16 chip, while offering a full-featured and highly flexible feature set to support the following applications:

- Advanced television with integrated digital media adaptor;
- IPTV set-top box for telco-TV, supporting advanced codecs like VC-1 and H.264; and
- Video conferencing, security and surveillance and PVR/DVR.

The PWBSP-16 Broadband Signal Processor IC with speed grades between 350 MHz and 500 MHz is available for sampling now, along with the iMMediaTools(R) version 7.0 SDK and the Babelfish II Hardware Platform.

Additional technical information on the PWBSP-16 processor is available at http://www.equator.com/productsservices/videocentricsocs.html while additional information on the Babelfish II is available at http://www.equator.com/productsservices/hardwareplatforms.html.

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.

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 help drive the adoption of Internet Protocol television" 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 display, IPTV, videoconferencing and PVR/DVR industries; the non-acceptance of the combined technologies by leading manufacturers; 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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