



Pixelworks and AMD Collaborate on Reference Platform Enabling Broadband Video, Voice and Data on 'Triple-Play' Set-top Boxes

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TUALATIN, Ore.--(BUSINESS WIRE)--Aug. 29, 2005-- New Sailfish(TM) II Platform Designed for IPTV, Internet Telephony and Broadband Network Router Applications

Pixelworks, Inc. (NASDAQ:PXLW), a leading provider of system-on-chip ICs for the advanced display market, today announced the first demonstration of the AMD (NYSE:AMD) co-designed Sailfish(TM) II platform, which will be shown at the upcoming IFA 2005 consumer electronics show in Berlin beginning September 5, 2005. The reference design based on the Pixelworks(TM) PWBSP(TM)-16 Broadband Signal Processor IC and the AMD Alchemy(TM) Au1550(TM) processor enables 'triple-play' set-top boxes (STBs) integrating broadband video, voice and data access into a single device.

The Sailfish II platform, designed in cooperation by AMD and Pixelworks, will accelerate product development of set-top boxes, digital media adapters and personal video recorders capable of simultaneously handling Internet Protocol television (IPTV), Voice-over-IP (VoIP) and network router and gateway functions. The reference design kit, including hardware and software, will help OEMs and ODMs to rapidly implement affordable broadband media gateways that will offer consumers better access to broadband entertainment and information.

"By collaborating with AMD, the Sailfish II platform can jumpstart the expanding market for powerful set-top boxes that handle video, telephony and data over broadband networks," said Brad Zenger, Vice President and General Manager, Advanced Media Processors, at Pixelworks. "Our strategy of developing ready-to-implement designs is the quickest and most efficient way for OEMs to get from zero to market."

"Consumers expect more from their digital entertainment devices," said Erik Salo, director of marketing, AMD Microprocessor Solutions Sector embedded group. "The Sailfish II offers a programmable solution that helps our customers adapt to rapidly changing and maturing technology in digital entertainment devices."

Accelerated Time to Market with Pre-integrated Software Solutions

The Sailfish II platform shortens development time cycles by providing bill of materials (BOM), schematics, and design files and supports rapid customization with standard hardware tools. The combination of the powerful Pixelworks and AMD processors yields a high-performance, programmable design for set-top box and consumer electronics manufacturers.

The Pixelworks PWBSP-16 IC supports multiple digital video codecs, allowing customers to take advantage of varying content formats while limiting custom development time and resources. The AMD Alchemy Au1550 processor provides low-power, high-performance support for network communication, router/gateway functions, VoIP and user-interface functions.

The Sailfish II platform supports codecs for multiple video standards, including VC-1, AVC, and MPEG-2, as well as H.263+/H.264 video phone capabilities. Additionally, the reference design includes software support for AVC/H.264 Main Profile/MPEG-4 Part 10, MPEG-4 Part 2, VC-1 and MPEG-2 at high definition, with extensibility to support additional codec formats and video input processing, network routers, gateways, higher performance VPN and VoIP capabilities.

Additional companies contributing to the Sailfish II reference design include:

- Alcatel: Alcatel's Open Media Client Software Development Kit (OMC SDK), including support for Real Time Streaming Protocol (RTSP) and Internet Group Management Protocol (IGMP) engines for Video-on-demand (VOD) and Broadcast over Internet BTV, with integrated support for the Ant Browser, and operational reporting modules to support usage and other operational statistics and configuration.
- ASTRI: Hong Kong Applied Science and Technology Research Institute H.264 encoder and decoder for integrated video-IPTV STB, video phone and conferencing and home security/surveillance applications.
- DICAS: Dicas is an MPEG-focused video coding specialist and leading developer of MPEG-4, MPEG-4 AVC/H.264 and 3GPP compliant video coding solutions. The Dicas' mpegable AVC decoder software is a high performance MPEG-4 AVC/H.264 software component, extremely error resilient, easy to integrate and compliant with MPEG-4 AVC/H.264 Main Profile, Level 3.
- Legerity: Legerity, a provider of analog/mixed-signal integrated circuits for wireline voice and data networks, provided an

integrated Subscriber Line Interface Circuit (SLIC) and AC-97 interface single chip device.

- Opera: Opera for Home Media is a suite of Internet technologies for electronic devices, including set-top boxes, media players, video phones, and high definition televisions. Opera for Home Media is a powerful execution environment for Web applications and dynamic user interfaces, as well as a full Internet browser. Opera for Home Media enables cost effective solutions based on advanced Web technologies.
- Vocal Technologies: The Analog Telephone Adaptor (ATA) from Vocal Technologies adds VoIP capabilities.
- WiPro: WiPro software reference designs contribute to router/gateway functionality.

Additional technical information on the Sailfish II reference platform is available on <http://www.equator.com/productservices/hardwareplatforms.html>.

About AMD

AMD (NYSE:AMD) designs and produces microprocessors, Flash memory devices and low-power processor solutions for the computer, communications and consumer electronics industries. AMD is dedicated to helping to delivering standards-based, customer-focused solutions for technology users, ranging from enterprises to government agencies and individual consumers. For more information, visit www.amd.com.

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 "accelerate product development of set-top boxes, digital media adapters and personal video recorders capable of simultaneously handling Internet Protocol television (IPTV), Voice-over-IP (VoIP) and network router and gateway functions" 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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