



Pixelworks(TM) Continues Product Line Expansion with Debut of Audio Processing and Video Demodulator Chips

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LAS VEGAS--(BUSINESS WIRE)--Jan. 6, 2006--Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-chip ICs for the advanced display industry, announced today that it is extending its product line-up to include a new family of audio and video processing chips. The PW3500, PW3510 and PW3515 chips process audio and video signals to provide a critical processing function in advanced televisions that delivers exciting sound, streamlines development and lowers system costs.

All three ICs in the family include audio IF (Intermediate Frequency) demodulators which separate the audio stream from the incoming video signal for all of the worldwide audio standards, including BTSC, SECAM-AM, A2, NICAM, EIA-J, and FM stereo radio. Once the audio signal has been separated, the chips can process the sound for stereo speakers, and with the PW3515, users can implement other more advanced sound enhancement technologies. The audio processor, in combination with other Pixelworks chips, features an Audio Delay function that ensures that the video and audio signals are synchronized in order to avoid distracting "lip synch" issues.

The PW3510 and PW3515 ICs integrate a video IF demodulator for NTSC, PAL and SECAM standards in addition to the robust sound demodulation and processing. The benefit of including a video IF demodulator is that it reduces system cost by enabling a manufacturer to use a lower cost single-stage tuner without compromising performance.

The PW3500, PW3510 and PW3515 chips provide a complete range of audio and video IF processing solutions for use in advanced televisions targeting every segment, including pairing with a PW106 ImageProcessor IC for a low-cost solution with full IF-to-display functionality with audio processing. This entire family of ICs is designed to be more robust than traditional solutions and has undergone rigorous field testing in locations throughout the world to ensure worldwide compatibility.

"Our goal at Pixelworks is to provide silicon solutions for the entire signal path in advanced televisions. The new PW3500, PW3510 and PW3515 chips show that we are continuing to make progress toward making that a reality," said Allen Alley, President, CEO and Chairman of Pixelworks. "I am extremely pleased to be expanding our television intellectual property footprint into the audio and demodulation domains."

To learn more about these products, 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 "(o)ur goal at Pixelworks is to provide silicon solutions for the entire signal path in advanced televisions" and "(t)he PW3500, PW3510 and PW3515 chips will be sampling in the first quarter" 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 industry, including without limitation the advanced television industry; the non-acceptance of the 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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