



Pixelworks to Hold Special Meeting of Shareholders For Vote on Proposed Options Exchange Program On October 26, 2006

October 17, 2006

TUALATIN, Ore.--(BUSINESS WIRE)--Oct. 17, 2006--Pixelworks, Inc. (NASDAQ:PXLW), a leading provider of system-on-a-chip ICs for the advanced display industry, will convene a Special Meeting of Shareholders of Pixelworks, Inc. at 2 p.m. PDT, October 26, 2006. The meeting will be held at Pixelworks' offices at 8100 S.W. Nyberg Road, Tualatin, Oregon.

The purpose of the Special Meeting is to consider a proposed exchange of eligible outstanding stock options for a lesser number of stock options. Relevant materials, including the Definitive Proxy Statement dated October 5, 2006 and filed with the U.S. Securities and Exchange Commission that same date, are available at www.sec.gov and at the investor section of www.pixelworks.com by selecting the "SEC Filings" heading on the menu. No other business may properly be brought before the meeting.

A live audio Web broadcast of the meeting will be available to all interested investors at the investor section of the Pixelworks site at www.pixelworks.com. The replay of the Pixelworks Special Meeting of Shareholders will be available for 30 days.

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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