



Pixelworks Updates Revenue Outlook for Fourth Quarter 2006

December 13, 2006

Conference Call at 6 a.m. PST

TUALATIN, Ore., Dec 13, 2006 (BUSINESS WIRE) -- Pixelworks, Inc. (NASDAQ:PXLW):

-- Pixelworks will host a conference call at 6 a.m. PST, December 13, 2006, which can be accessed at (719) 457-2618 and using pass code 2726492. The conference call will also be available through a Web broadcast that can be accessed by visiting the Investor Relations section at www.pixelworks.com. A replay of the conference call will be available through December 15, 2006, and can be accessed by calling (719) 457-0830 using pass code 2726492. A replay of the Web broadcast will be available through January 13, 2007.

Pixelworks, Inc. (NASDAQ:PXLW) announced today that the company is updating the fourth quarter 2006 revenue outlook to be \$28.0 to \$30.0 million which is within the range of our previously announced outlook.

This revenue outlook statement is based on the company's current expectations. This statement is forward-looking, subject to risks and uncertainties, and actual results may differ materially. This statement does not include the potential impact of any investments outside the ordinary course of business, or mergers or acquisitions that may be completed after the date of this news release. Readers are cautioned not to place undue reliance on this forward-looking statement, which speaks only as of the date of this news release. The inclusion of any revenue outlook statement in this release does not constitute a suggestion by the company or any other person that the events or circumstances described in such a statement is material. The company does not undertake to publicly update or revise this forward-looking statement even if experience or future changes make it clear that any projected results expressed or implied in this release will not be realized.

Revenue is highly dependent on a number of factors including, but not limited to, consumer confidence and spending, seasonality in the consumer electronics market, general economic conditions, the company's ability to secure additional design wins, timely customer transition to new product designs, new product introductions, production yields, growth rates in the advanced television, multimedia projector, flat panel monitor and digital streaming media markets, levels of inventory at distributors and customers, order cancellations or push-outs, and increased supply of products from the company's third party foundries.

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, digital streaming media devices 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.

Pixelworks is a trademark of Pixelworks, Inc. All other trademarks and registration marks are the property of their respective corporations.

Safe Harbor Statement

This release contains statements that are forward-looking statements within the meaning of the "Safe Harbor" provisions of the federal Securities Litigation Reform Act of 1995, including the statements regarding expected revenue in the fourth quarter of 2006. Such statements 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: revenue is highly dependent on a number of factors including, but not limited to, consumer confidence and spending, seasonality in the consumer electronics market, general economic conditions, the company's ability to secure additional design wins, timely customer transition to new product designs, new product introductions, production yields, growth rates in the advanced television, multimedia projector, flat panel monitor and digital streaming media markets, levels of inventory at distributors and customers, order cancellations or push-outs, and increased supply of products from the company's third party foundries; and other risk factors listed from time to time in the company's Securities and Exchange Commission filings.

The forward-looking statements we make today, speak as of today, and we do not undertake any obligation to update any such statements to reflect events or circumstances occurring after today. Please refer to the risk factors in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and subsequent SEC filings for a description of factors that could cause actual results to differ materially from the preliminary results announced.

SOURCE: Pixelworks, Inc.

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