



Pearl2 ImageProcessor ICs from Pixelworks Raises Performance to Deliver High-Performance Solution for Next-Generation Displays Including 120Hz LCD Panels

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LAS VEGAS, Jan 08, 2007 (BUSINESS WIRE) -- Pixelworks, Inc. (Nasdaq:PXLW), a leading provider of system-on-chip ICs for the advanced display industry, announced today the introduction of the Pearl2 ImageProcessor IC designed to meet the demanding requirements of the latest generation of display technologies. The Pearl2 ImageProcessor chip increases video processing performance and speed for handling high-bandwidth signals demanded in high-definition advanced televisions and digital projectors.

Normally, an LCD panel refreshes the image 60 times per second, also known as 60Hz. A new generation of LCD displays now operates at twice that rate by refreshing 120 times per second. The new design dramatically lowers pixel response rates and delivers smoother motion and less blurring. A similar idea is planned for areas using the PAL standard to operate at 100Hz. The Pearl2 ImageProcessor IC is a powerful system-on-chip IC that includes video and microprocessor features capable of supporting both 100Hz and 120Hz panels, one of the few commercially available chips with this capability.

The Pearl2 ImageProcessor chip offers many enhancements including a 12-bit EuroSync(TM) video decoder and a 10-bit ADC that provides high-quality SECAM decoding. It also features Dynamic Deblocking (DDb(TM)) which smoothes blocking artifacts that are common in MPEG encoded content. Another exclusive technology in the Pearl2 ImageProcessor chip is the Enhanced DCT1 that significantly improves image sharpness.

The Pearl2 architecture carries forward the proven technologies from the previous generation including an internal HDMI(R) receiver and the exclusive PixelAmp(TM) Video Enhancement Core which is an innovative set of digital processing technologies including 2D peaking and 10-axis color control. Additional DNX(TM) video technology enhancements include advanced 3D noise reduction, black/white expansion, enhanced low-angle interpolation and dual DCT1/DLTI image control.

A new technology debuting in the Pearl2 chips is a Chroma Key Window function that enables improved video performance when connected to a PC source. Developed for PC TV applications, the Chroma Key Window creates a flexible, resizable picture-in-picture window that displays an alternative video source such as a set-top box or DVD player. The advantage is that the content is displayed using hardware to perform the video processing rather than relying on the PC to handle it which burdens the PC microprocessor and uses software video processing which typically results in lower image quality.

"Our second generation of Pearl ImageProcessor chips is another evolution that will open up an emerging market for Pixelworks video processing technology in the new generation of display technologies designed to deliver the clearest, brightest video image possible," said Hans Olsen, President and CEO of Pixelworks. "Tackling these hurdles is an achievement for our technology and positions Pixelworks well as an enabler of these exciting displays."

The family of Pearl2 ImageProcessor ICs for advanced televisions and digital projectors will be sampling in the first quarter. To learn more about these products, contact the Pixelworks sales office in your region. A list of contacts is available at www.pixelworks.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, 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.

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This press release contains statements that are forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Statements by Hans Olsen and statements such as "The family of Pearl2 ImageProcessor ICs 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 HDTV or digital projector industries; 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

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SOURCE: Pixelworks, Inc.

Investor Inquiries
Pixelworks, Inc.
Michael Yonker, 503-454-4515
myonker@pixelworks.com

or

Media Inquiries
Pixelworks, Inc.
Chris Bright, 503-454-1770
cbright@pixelworks.com
Web site: www.pixelworks.com