



Pixelworks Announces Design Win with Samsung for New 'Bluejay' Co-Processor IC for Slim CRT Televisions

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TUALATIN, Ore.--(BUSINESS WIRE)--Feb. 20, 2007--Pixelworks, Inc. (NASDAQ:PXLW), an innovative provider of powerful video and pixel processing technology for advanced televisions and digital projectors, announced today that Samsung has chosen its new co-processor IC for two slim CRT television models. The PW9050L chip, codenamed 'Bluejay,' complements Pixelworks ImageProcessor ICs for advanced CRTs by introducing its proprietary Digital Horizontal Correction, or DHC(TM), technology for digitally pre-processing video signals to eliminate distortion in slim CRTs.

Samsung Electronics recently introduced two new SlimFit(TM) CRT televisions featuring the PW9050L co-processor chip that use Samsung's innovative cathode-ray tube which reduces tube depth by more than 30 percent. The first two SlimFit widescreen models, measuring 29-inches and 32-inches diagonally, feature vibrant colors and crisp video images even in the corners where the scanning beam is at maximum deflection. Samsung selected the PW9050L because it overcomes a significant technical hurdle of picture uniformity through its unique DHC technology.

Samsung was able to accurately customize the deflection requirements using Pixelworks' DHC technology and integrated test patterns to perfect the image on any slim cathode ray tube. In addition, DHC technology uses unique algorithms to enhance brightness in the corners to enable even picture levels. The PW9050L chip is capable of operating at up to 120 Hz and handling 30-bit RGB input in advanced CRT systems for full high-definition support.

"At Samsung we are continuing to drive innovations for CRTs which will continue to keep the technology competitive. Pixelworks' expertise in image shaping is what made the Bluejay chip possible and we believe these SlimFit CRT models offer the industry's best performance," said S.S. Lee, Vice President of Samsung's Projection and CRT Division.

"We are excited about introducing the PW9050L chip because it represents a completely new approach to processing images in CRTs that can make slim CRTs perform at much higher level. A tier-one design win with a company of Samsung's stature provides further evidence of the value of our co-processor capability and strategy," said Hans Olsen, President and CEO of Pixelworks, Inc. "The market for slim CRTs is projected to grow from less than 8 million units in 2006 to more than 35 million units in 2010 for a compounded annual growth rate exceeding 45 percent. With Bluejay and its unique DHC technology we see a new market potential for our products that can add incremental revenue in 2007 and beyond."

The PW9050L Co-Processor IC for slim CRT television applications is now in production. 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 an innovative provider of powerful video and pixel processing technology for manufacturers of advanced televisions and digital projectors. Pixelworks' flexible design architecture enables our unique technology to produce outstanding image quality in our customers' display products in a range of solutions including system-on-chip ICs, co-processor ICs and discrete chips. At design centers in Shanghai and San Jose, Pixelworks engineers relentlessly push pixel performance to new levels for leading manufacturers of consumer electronics and professional displays worldwide.

For more information, please visit the company's Web site at www.pixelworks.com.

Pixelworks(R) and DHC(TM) are trademarks of Pixelworks, Inc. SlimFit is the trademark of Samsung Electronics.

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. 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 those described above and the following: changes in growth in the slim CRT market; changes in consumer confidence and spending, changes in customer ordering patterns or lead times; success in achieving operating efficiencies from our restructuring efforts; competitive factors, such as rival chip architectures, introduction or traction by competing designs, or pricing pressures; insufficient, excess or obsolete inventory and variations in inventory valuation; yield rates for the PW9050L, changes in regional demand for that product, non-acceptance of the DHC technology by other leading manufacturers; 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 our Annual Report on Form 10-K for the year ended December 31, 2005 and subsequent SEC filings for a description of factors that could cause actual results to differ materially from the preliminary results announced.

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