



## Pixelworks Launches Industry-leading Keystone Correction Post-processing IC for Digital Projectors

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LAS VEGAS--(BUSINESS WIRE)--Jan. 7, 2008--Pixelworks, Inc. (NASDAQ:PXLW), an innovative provider of powerful video and pixel processing technology, today announced the PW610 Digital Projection Post-Processor, which provides the industry's highest quality keystone and image correction performance for digital projection systems. Pixelworks will demo the PW610 at the International Consumer Electronics Show in Las Vegas, January 7-10, 2008.

"The PW610 post-processor allows manufactures to rapidly empower existing designs with high-end features at attractive price points," said Anthony Simon, Vice President Marketing and Sales of Pixelworks, Inc. "Once again, Pixelworks has provided the projection display market with the highest quality solutions, incorporating the most innovative and dynamic features."

The PW610 is powered by Pixelworks' ARK Engine(TM) technology, which uses a 12-bit image path to correct off-axis, or "keystone" image projection with unparalleled accuracy and speed. An advanced memory architecture enables 30 degree simultaneous horizontal and vertical keystone correction at Full-HD resolution of 1080p. Resolutions up to SXGA go even further with 45 degree simultaneous H/V keystone correction. ARK Engine technology also supports pin cushion correction and barrel distortion correction at all resolutions.

Additionally, multi-filter sharpness control allows for the sharpest (or softest) possible image, even at extreme keystone angles. Proprietary moire compensation addresses the common image artifact inherent to all other digital keystone solutions. An advanced display timing generator and a 1024 point output gamma table ensures signal compatibility and color correction for any projection display. Across the board, the PW610 provides unsurpassed image quality and enhancement.

The PW610 meets international halogen-free and lead-free standards as specified in Sony Green Partner Specifications SS-00259 and IEC 61249-2-21. The new chip will be sampling in the first quarter of 2008. To learn more about the PW610, contact the Pixelworks sales office in your region. A list of contacts is available at [www.pixelworks.com](http://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 digital projectors and flat panel display products. 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 and discrete ICs. 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](http://www.pixelworks.com).

ARK Engine is a trademark of Pixelworks, Inc. All other trademarks are the property of their respective owners.

### Safe Harbor Statement

This press release contains statements that are forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995, including statements regarding the performance and system compatibility of the PW610 chip. 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 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 the company will make additional updates with respect thereto or with respect to other forward-looking statements.

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