

Chi Mei Optoelectronics Selects Pixelworks' DNX(R) MotionEngine(TM) Family of Chips for Next Generation of LCD Panels

January 5, 2009

TUALATIN, Ore.--(BUSINESS WIRE)--Jan. 5, 2009--Pixelworks, Inc. (NASDAQ:PXLW), an innovative provider of powerful video and pixel processing technology, announced today that Chi Mei Optoelectronics (CMO) has selected Pixelworks' PW9800 family of co-processors with DNX^(R) MotionEngine(TM) technology for its latest line of cost effective, eco-friendly LCD panels in 37", 42", 47" and 55" sizes. CMO is a global industry leader in TFT-LCD (thin film transistor liquid crystal display) and a significant supplier to the worldwide flat panel TV market.

"Our goal in launching our newest line of LCD panels was to produce the highest quality display for our customers, while at the same time reducing the costs of LCD TV production. We also wanted to take the lead in developing a more "green" LCD TV industry in China - saving power, material and time," said Dr. Li-Yi Chen, CMO's head director, TV Business Head Division. "Pixelworks' DNX MotionEngine technology offered the best performance and cost effectiveness in a 120Hz MEMC (Motion Estimation and Motion Compensation) solution, allowing us to achieve our objectives while using fewer materials."

Pixelworks' DNX MotionEngine technology uses proprietary algorithms to significantly improve the performance and viewing experience of large high-end LCD TVs, advanced projectors and other consumer products requiring 120Hz support. Utilizing Pixelworks' MEMC technology, the PW9800 chip eliminates motion artifacts, often referred to as "judder" and "blur", in high resolution digital video content.

"CMO is one of the most innovative and influential players in the global LCD panel market today, and we are very excited to be partnering with them to deliver their next generation panels," said Hongmin (Bob) Zhang, Pixelworks' vice president, technology and chief technology officer. "The industry's shift to large, high resolution 120Hz LCD panels, combined with the transition to 1080p content, is driving the need for video solutions with ever higher performance and quality. Like CMO, Pixelworks is committed to developing innovative products that deliver leading video performance for high definition displays."

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, is an innovative designer, developer and marketer of video and pixel processing semiconductors and software for high-end digital video applications. At design centers in Shanghai, China and San Jose, California, Pixelworks engineers 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.

About Chi Mei Optoelectronics

Chi Mei Optoelectronics (CMO), headquartered at Tainan Science-based Industrial Park, Taiwan, is the world's leading TFT-LCD company. CMO is one of the world's top three suppliers of LCD panels for televisions and has the goal of promoting the universal use of LCD televisions around the world. It has already successfully begun to produce product lines under 55 inches. In the future, the company will continue to meet the needs of consumers in this age of high-definition digital television (HDTV) by providing products with industry-leading high resolution, high contrast, super wide view and fast response.

DNX(R) and MotionEngine(TM) are trademarks of Pixelworks, Inc. All other trademarks are the property of their respective owners.

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Source: Pixelworks, Inc.