

Pixelworks' PA136 MotionEngine® Powers Lenovo's S Series Smart TV

February 20, 2013

SAN JOSE, Calif.--(BUSINESS WIRE)--Feb. 20, 2013-- Pixelworks, Inc. (NASDAQ: PXLW), a pioneer in innovative video and display processing technology, today announced that its PA136 MotionEngine® video processor has been selected to power Lenovo's ground-breaking Android-based S Series Smart TV. Pixelworks MotionEngine® technology delivers unparalleled video processing and 3D capabilities for a more immersive TV viewing experience.

Pixelworks' PA136 MotionEngine® device is the industry's first post-processor to integrate the Company's content adaptive MEMC technology, which significantly reduces film judder and blur, supports 3D format conversions for full 3D on LCD displays and enables real-time 2D to 3D conversion.

"Lenovo chose Pixelworks' PA136 MotionEngine® video processor due to its ability to deliver unparalleled 2D and 3D video performance for our S Series Smart TVs at compelling price points," said Kevin Han, Senior Product Manager at Lenovo. "We are very pleased to be utilizing Pixelworks' industry leading video processing technology, which will enable smooth playback of internet content and an immersive 3D experience for Chinese consumers."

The PA136 MotionEngine® contains Pixelworks' fourth generation MEMC technology and supports refresh rates up to 120Hz for 1080p and CSHD resolutions. Additionally, the device includes proprietary n2m® technology for smooth playback of low-frame internet video content. It also supports major 3D formats along with real-time 2D to 3D conversion, which provides an immersive full 3D experience for both shutter glass and pattern retarder panels. Integration of 2D local dimming for Direct LED backlight panels also provides a significant reduction in power consumption.

"Pixelworks is very pleased to further its collaboration with Lenovo, enabling a new generation of Smart TVs with impressive video performance for both standard and internet content as well as best-in-class 3D functionality," said Graham Loveridge, SVP Strategic Marketing and Business Development of Pixelworks. "The PA136 continues to be selected by leading tier-one TV OEMs for its time-tested MotionEngine® technology, superior performance and ability to provide a more immersive viewing experience. Lenovo's decision to incorporate the PA136 in its newest generation of Smart TVs is further evidence of Pixelworks' ability to deliver unmatched video quality."

Lenovo's S51 and S61 Smart TVs offer an attractive price point well within the reach of mainstream buyers. Key features include a sleek, frameless, mirror-like screen, Full HD 1080p resolution, polarized 3D display and support for VOD as well as customized TV apps.

For additional information on new products, as well as product demos, please contact your local Pixelworks office (<u>http://www.pixelworks.com</u> <u>/locations.php</u>) to obtain an invitation.

About Pixelworks, Inc.

Pixelworks creates, develops and markets video display processing technology for digital video applications that demand the very highest quality images. At design centers around the world, Pixelworks engineers constantly push video performance to keep manufacturers of consumer electronics and professional displays worldwide on the leading edge. The company is headquartered in San Jose, CA.

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

Note: Pixelworks, the Pixelworks logo, MotionEngine and n2m are all registered trademarks of Pixelworks, Inc.

About Lenovo

Lenovo (HKSE: 992) (ADR: LNVGY) is a \$US21 billion personal technology company – and the number one PC vendor in the world, serving customers in more than 160 countries. Dedicated to building exceptionally engineered PCs and mobile internet devices, Lenovo's business is built on product innovation, a highly efficient global supply chain and strong strategic execution. Formed by Lenovo Group's acquisition of the former IBM Personal Computing Division, the Company develops, manufactures and markets reliable, high-quality, secure and easy-to-use technology products and services. Its product lines include legendary Think-branded commercial PCs and Idea-branded consumer PCs, as well as servers, workstations, and family of mobile internet devices, including tablets and smart phones. Lenovo has major research centers in Yamato, Japan; Beijing, Shanghai and Shenzhen, China; and Raleigh, North Carolina. For more information, see www.lenovo.com.

Source: Pixelworks, Inc.

Investor Contact: Shelton Group Brett L Perry, +1-972-239-5119 ext 159 bperry@sheltongroup.com or Company Contact: Pixelworks, Inc. info@pixelworks.com