

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>YAVORSKY WILLIAM D</u>			2. Issuer Name and Ticker or Trading Symbol <u>PIXELWORKS INC [ PXLW ]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP Worldwide Sales</u>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>01/31/2005</u>					
<u>8100 SW NYBERG RD.</u>								
(Street) <u>TUALATIN OR 97062</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(State)	(Zip)						

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
<u>Common Stock</u>	<u>01/31/2005</u>		<u>j<sup>(1)</sup></u>		<u>833</u>	<u>A</u>	<u>\$7.982</u>	<u>833</u>	<u>D</u>	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
<u>Incentive Stock Option (right to buy)</u>	<u>\$16.9</u>							<u>(2)</u>	<u>04/19/2014</u>	<u>Common Stock</u>	<u>23,667</u>	<u>23,667</u>	<u>D</u>	
<u>Non-Qualified Stock Option (right to buy)</u>	<u>\$16.9</u>							<u>(3)</u>	<u>04/19/2014</u>	<u>Common Stock</u>	<u>176,333</u>	<u>176,333</u>	<u>D</u>	

**Explanation of Responses:**

- Shares acquired through Employee Stock Purchase Plan.
- The options become exercisable over a 4-year period which commenced on April 30, 2004 as follows: 5,917 shares exercisable as of April 30, 2005, 493 shares exercisable as of 1/31/2006, and 17,257 shares exercisable every month thereafter for 27 months.
- The options become exercisable over a 4-year period which commenced on April 30, 2004 as follows: 44,083 shares exercisable as of April 30, 2005 and 132,250 shares exercisable every month thereafter for 36 months.

William D Yavorsky 08/01/2005

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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