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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 23, 2009

**PIXELWORKS, INC.**

(Exact name of registrant as specified in its charter)

**OREGON**  
(State or other jurisdiction of  
incorporation)

**000-30269**  
(Commission File Number)

**91-1761992**  
(I.R.S. Employer  
Identification No.)

**16760 SW Upper Boones Ferry Road, Suite 101**  
**Portland, OR 97224**  
**(503) 601-4545**

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## PIXELWORKS INC. AND SUBSIDIARIES

### Item 7.01 Regulation FD Disclosure.

On February 23, 2009, Pixelworks, Inc. announced that it had repurchased approximately \$27.1 million aggregate principal amount of its outstanding 1.75% convertible subordinated debentures in a private transaction. The purchase price was 65.5 percent of face value.

The press release issued February 23, 2009 to announce the repurchase is furnished herewith as Exhibit 99.1 to this Report. The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that Section, nor shall such information be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise stated in such filing.

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated February 23, 2009

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**PIXELWORKS, INC.**  
(Registrant)

Date: February 23, 2009

By: /s/ Steven L. Moore  
Steven L. Moore  
*Vice President, Chief Financial Officer,  
Secretary and Treasurer*



**News Release**

**Contact Information:**

Steven Moore  
408-200-9221  
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**Pixelworks Completes Additional Bond Repurchase**

**PORTLAND, Ore., February 23, 2009** — Pixelworks, Inc. (NASDAQ: PXLW), an innovative provider of powerful video and pixel processing technology, announced today that it has taken steps to further strengthen its financial position with the repurchase of outstanding bonds.

On February 20, 2009, the Company repurchased approximately \$27 million principal amount of its outstanding 1.75% convertible subordinated debentures at a purchase price of 65.5 percent of face value. This follows repurchases of approximately \$79.4 million of Pixelworks' outstanding debentures in 2008. Pixelworks' bond repurchases to date have reduced the Company's long-term debt from \$140.0 million at the beginning of 2008 to approximately \$33.5 million.

**About Pixelworks, Inc.**

Pixelworks, headquartered in Portland, Oregon, is an innovative designer, developer and marketer of video and pixel processing technology semiconductors and software for high-end digital video applications. At design centers in Shanghai and San Jose, 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](http://www.pixelworks.com).

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