

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*			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
<u>O'Donnell John S</u>			<u>PIXELWORKS INC [PXLW]</u>			Director 10% Owner		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)			<input checked="" type="checkbox"/> Officer (give title below) Other (specify below)		
<u>8100 SW NYBERG RD.</u>			<u>02/07/2006</u>			<u>Vice President, Technology</u>		
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line)		
<u>TUALATIN</u>	<u>OR</u>	<u>97062</u>				<input checked="" type="checkbox"/> Form filed by One Reporting Person		
(City)	(State)	(Zip)				Form filed by More than One Reporting Person		

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			
Common Stock	02/07/2006		M		15,000	A	\$0.07	15,000	D	
Common Stock	02/07/2006		S		15,000	D	\$4.55	0	D	

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)	
					(A)	(D)	Date Exercisable	Expiration Date						Title
Incentive Stock Option (right to buy)	\$0.07	02/07/2006		M		15,000	(1)	(2)	Common Stock	15,000	\$4.55	207,402	D	
Incentive Stock Option (right to buy)	\$6.58						(3)	04/22/2015	Common Stock	79,950		79,950	D	
Non-Qualified Stock Option (right to buy)	\$0.07						(4)	(5)	Common Stock	4,984		4,984	D	
Non-Qualified Stock Option (right to buy)	\$9.25						(6)	06/14/2015	Common Stock	70,050		70,050	D	

Explanation of Responses:

- 222,397 shares are exercisable on the grant date of June 14, 2005. The remaining 5 shares become exercisable as follows: 0.5 shares become exercisable every month for a 10 month period ending April 30, 2006. Options became exercisable for shares of Pixelworks common stock upon the Company's acquisition of Equator Technologies, Inc.
- 103 shares expire July 10, 2010, 28 shares expire April 18, 2012, 1,776 shares expire April 8, 2013, 186,647 shares expire April 6, 2014 and 33,848 shares expire September 15, 2014.
- 19,988 shares become exercisable as of April 30, 2006. 1,665.6 shares become exercisable every month thereafter for 36 months through April 30, 2009. Options became exercisable for shares of Pixelworks common stock upon the Company's acquisition of Equator Technologies, Inc.

4. 4,959 shares are exercisable on the grant date of June 14, 2005. The remaining 25 shares become exercisable as follows: 3.25 shares become exercisable every month for a 4 month period ending October 31, 2005 and 2 shares become exercisable every month thereafter for a 6 month period ending April 30, 2006. Options became exercisable for shares of Pixelworks common stock upon the Company's acquisition of Equator Technologies, Inc.

5. 41 shares expire July 10, 2010, 578 shares expire March 29, 2011, 72 shares expire January 10, 2012, 72 shares expire July 18, 2012, 592 shares expire April 8, 2013 and 3,629 shares expire November 11, 2013.

6. The options become exercisable over a 4-year period which commenced on June 30, 2005, as follows: 17,513 shares exercisable as of June 30, 2006, 1,459.4 shares exercisable every month thereafter for 36 months through June 30, 2009.

John S ODonnell

02/07/2006

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.