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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): August 18, 2008

**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.)

**8100 SW Nyberg Road**  
**Tualatin, Oregon 97062**  
**(503) 454-1750**

(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 August 18, 2008, Pixelworks, Inc. announced that it had repurchased approximately \$14.1 million aggregate principal amount of its outstanding 1.75% convertible subordinated debentures in a combination of open market and private transactions. The purchase price ranged from approximately 70 to 71 percent of face value.

The press release issued August 18, 2008 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 August 18, 2008

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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)

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

Date: August 18, 2008



News Release

Contact Information:

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#### **Pixelworks Repurchases Additional Bonds**

**TUALATIN, Ore., August 18, 2008** — Pixelworks, Inc. (NASDAQ: PXLW), an innovative provider of powerful video and pixel processing technology, announced today that the Company completed the repurchase of an additional \$14.1 million principal amount of its outstanding 1.75% convertible subordinated debentures on August 15, 2008, in a combination of open market and private transactions. The purchase price ranged from 70 to 71 percent of face value.

Together with Pixelworks' repurchases on August 6, 2008 and the "Modified Dutch Auction" tender offer completed in March 2008, the Company has repurchased approximately \$79.4 million of its outstanding debentures in 2008 at purchase prices ranging from 70 to 74 percent of face value. These repurchases have reduced Pixelworks' long-term debt from \$140.0 million at the beginning of the year to approximately \$60.6 million.

#### **About Pixelworks, Inc.**

Pixelworks, headquartered in Tualatin, 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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