
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 2 to
SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

PIXELWORKS, INC.

(Name of Subject Company (Issuer))

PIXELWORKS, INC.

(Name of Filing Person (Offeror))

1.75% Convertible Subordinated Debentures due 2024
(Title of Class of Securities)

72581M AA 5

72581M AB 3

(CUSIP Numbers of Class of Securities)

STEVEN MOORE

Vice President, Finance, Chief Financial Officer and Treasurer

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San Jose, California 95110

(408) 200-9221

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

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Calculation of Filing Fee

Transaction Valuation*	Amount of Filing Fee**
\$37,500,000	\$1,473.75

* The transaction value was estimated only for purposes of calculating the filing fee. This amount was based on the purchase of \$50,000,000 aggregate principal amount of the outstanding 1.75% convertible subordinated debentures due 2024, at the maximum tender offer price of \$750 per \$1,000 principal amount.

** \$39.30 per million dollars of transaction value, in accordance with Rule 0-11(b) and Fee Rate Advisory No. 6 for fiscal year 2008. The filing fee was previously paid with the Schedule TO filed on January 29, 2008.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$1,473.75
Form or Registration No.: Schedule TO-I

Filing Party: Pixelworks, Inc.
Date Filed: January 29, 2008

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

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[EXHIBIT 99.\(a\)\(5\)\(iii\)](#)

AMENDMENT NO. 2 to SCHEDULE TO

Pixelworks, Inc., an Oregon corporation (“Pixelworks” or the “Company”), hereby further amends and supplements the Tender Offer Statement on the Schedule TO, originally filed with the Securities and Exchange Commission on January 29, 2008, as amended and supplemented by Amendment No. 1, filed on February 29, 2008 (as so amended, the “Schedule TO”), with respect to the Company’s offer to purchase up to \$50,000,000 aggregate principal amount of its outstanding 1.75% Convertible Subordinated Debentures due 2024 (the “Debentures”) at a price not greater than \$750 nor less than \$680 per \$1,000 principal amount, plus accrued and unpaid interest thereon up to, but not including the date of purchase. The Company’s offer was made upon the terms and subject to the conditions set forth in the Offer to Purchase dated January 29, 2008 (the “Offer to Purchase”) and in the related Letter of Transmittal (which together, as amended or supplemented from time to time, constitute the “Offer”). The Offer expired at 5:00 p.m., New York City time, on Thursday, February 28, 2008. This Schedule TO, as amended, is hereby filed to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

Capitalized terms used and not defined herein shall have the meanings given to them in the Offer to Purchase and the Schedule TO.

Items 1 through 11.

On March 5, 2008, Pixelworks issued a press release announcing the final results of the Offer, the full text of which is attached as Exhibit (a)(5)(iii) hereto and incorporated herein by reference.

Item 12. Exhibits.

- (a)(1)(i)+ Offer to Purchase, dated January 29, 2008.
- (a)(1)(ii)+ Letter of Transmittal (including Substitute Form W-9 and Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
- (a)(1)(iii)+ Notice of Guaranteed Delivery.
- (a)(1)(iv)+ Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees.
- (a)(1)(v)+ Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees.
- (a)(5)(i)+ Press Release, dated January 29, 2008.
- (a)(5)(ii)++ Press Release, dated February 29, 2008.
- (a)(5)(iii) Press Release, dated March 5, 2008.
- (d)(1) Indenture, dated as of May 18, 2004, among Pixelworks, Inc. and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 of Pixelworks’ quarterly report on Form 10-Q for the quarter ended June 30, 2004).

+ Previously filed with this Schedule TO on January 29, 2008.

++ Previously filed with this Schedule TO on February 29, 2008.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

PIXELWORKS, INC.

/s/ Steven Moore

Steven Moore

Vice President, Finance,

Chief Financial Officer and Treasurer

Date: March 5, 2008

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Index to Exhibits

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News Release

Contact Information:

Investors:

Steven Moore
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Pixelworks Announces Final Results of its “Modified Dutch Auction” Tender Offer

TUALATIN, Ore., March 5, 2008 — Pixelworks, Inc. (NASDAQ: PXLW), an innovative provider of powerful video and pixel processing technology, today announced the final results of its “Modified Dutch Auction” tender offer for a portion of its outstanding 1.75% convertible subordinated debentures due 2024. The tender offer expired at 5:00 p.m., New York City time, on Thursday, February 28, 2008.

Pixelworks has accepted for purchase approximately \$50,248,000 aggregate principal amount of its convertible debentures at a purchase price of \$740 per \$1,000 principal amount plus accrued and unpaid interest up to, but not including, the date of purchase for a total cost of approximately \$37,449,764. Of the \$50,248,000 aggregate principal amount of convertible debentures accepted for purchase, \$248,000 were accepted pursuant to Pixelworks’ right to purchase up to an additional 2% of the outstanding convertible debentures without extending the tender offer in accordance with applicable federal securities laws.

In total, approximately \$77,729,000 aggregate principal amount of convertible debentures were properly tendered and not withdrawn in the tender offer.

All convertible debentures properly tendered at or below the final purchase price of \$740 per \$1,000 principal amount have been accepted for purchase. All convertible debentures tendered at prices above \$740 per \$1,000 principal amount will be returned promptly to convertible debenture holders.

The aggregate principal amount of convertible debentures that Pixelworks accepted for purchase in the tender offer represents approximately 35.9% of the \$140,000,000 aggregate principal amount of convertible debentures outstanding prior to the purchase of the convertible debentures in the tender offer.

The dealer manager for the tender offer is Thomas Weisel Partners LLC. The information agent for the tender offer is Laurel Hill Advisory Group, and the depositary is

Mellon Investor Services LLC. All inquiries about the tender offer should be directed to the information agent at (800) 555-3858. Banks and brokers may call (516) 933-3100.

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, is an innovative provider of powerful video and pixel processing technology for manufacturers of digital projectors and flat panel display products. Pixelworks' flexible design architecture enables our unique technology to produce outstanding image quality in our customers' display products in a range of solutions including system-on-chip ICs, co-processor and discrete ICs. At design centers in Shanghai and San Jose, Pixelworks engineers relentlessly push pixel performance to new levels for leading manufacturers of consumer electronics and professional displays worldwide.

Pixelworks® and the Pixelworks logo® are trademarks of Pixelworks, Inc.

Forward-Looking Statements

Forward-looking statements in this release are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Company's securities; changes in the Company's business and financial condition; changes in the debt markets in general; and other risks identified in the risk factors listed from time to time in the Company's Securities and Exchange Commission filings.

The forward-looking statements we make today, speak as of today, and we do not undertake any obligation to update any such statements to reflect events or circumstances occurring after today, except as required by law. Please refer to our Schedule TO-I filed on January 29, 2008 and our Annual Report on Form 10-K for the year ended December 31, 2006 and subsequent SEC filings for a description of factors and conditions that could cause actual events and results to differ materially from those described here.

Tender Offer Statement

This press release is for informational purposes only and is neither an offer to buy nor the solicitation of an offer to sell, any securities.