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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): December 24, 2007

**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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**Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing**

On December 24, 2007, Pixelworks, Inc. (the "Company"), received written notification (the "Notice") from the Nasdaq Stock Market ("Nasdaq") that for the last 30 consecutive business days, the bid price of its common stock has closed below the minimum \$1.00 per share requirement for continued inclusion under Marketplace Rule 4450(a)(5) (the "Rule"). Pursuant to Nasdaq Marketplace Rule 4450(e)(2), the Company has been provided 180 calendar days, or until June 23, 2008, to regain compliance. If, at any time before June 23, 2008, the bid price of the Company's common stock closes at \$1.00 per share or more for a minimum of 10 consecutive business days, Nasdaq will provide written notice that the Company has achieved compliance with the Rule.

If the Company does not regain compliance with the Rule by June 23, 2008, Nasdaq will provide written notification that its securities will be delisted. At that time, the Company may appeal the Nasdaq's determination to delist its securities.

A copy of the press release issued by the Company on the Notice is attached as Exhibit 99.1 to this Report.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

99.1 Press Release issued by Pixelworks, Inc. dated December 28, 2007.

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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: December 28, 2007

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



## News Release

### For Immediate Release

**Contact Information:** Steven Moore  
Pixelworks, Inc.  
408-200-9221  
[smoore@pixelworks.com](mailto:smoore@pixelworks.com)

### **Pixelworks Receives Notice of Non-Compliance from Nasdaq**

**Tualatin, Ore., December 28, 2007** — Pixelworks, Inc. (NASDAQ:PXLW), an innovative provider of powerful video and pixel processing technology, today announced that it has received notice from the Nasdaq Stock Market that the bid price of its common stock for the last 30 consecutive business days has closed below the \$1.00 per share minimum price requirement necessary for continued inclusion under Nasdaq Marketplace Rule 4450(a)(5). Pursuant to Nasdaq Marketplace Rule 4450(e)(2), the Company has been provided a period of 180 calendar days, or until June 23, 2008, to regain compliance.

To regain compliance with the minimum bid price requirement, the bid price of Pixelworks common stock must close at \$1.00 per share or more for a minimum of 10 consecutive business days at any time before June 23, 2008, subject to certain exceptions.

#### **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.

For more information, please visit the Company's Web site at [www.pixelworks.com](http://www.pixelworks.com).

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