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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 6, 2008 (July 31, 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 8.01 Other Events.

On August 6, 2008, Pixelworks, Inc. ("Pixelworks" or the "Company") announced that it had repurchased approximately \$15,000,000 of 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 70 to 71 percent of face value.

The Company also announced that on July 31, 2008, the Company's Board of Directors approved an extension to the Company's existing share repurchase program for an additional twelve months, through September 2009. As of June 30, 2008, the Company had approximately \$4.4 million remaining under the program, which may be used to repurchase shares under the extended program. The program does not obligate the Company to acquire any particular amount of common stock and may be modified or suspended at any time at the Company's discretion. Share repurchases under the program may be made through open market or privately negotiated transactions at the Company's discretion, subject to market conditions and other factors.

The press release issued August 6, 2008 to announce the bond repurchase and extension of the share repurchase program is furnished herewith as Exhibit 99.1 to this Report.

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated August 6, 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)

Date: August 6, 2008

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



**News Release**

**Contact Information:**

Steven Moore  
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**Pixelworks Repurchases Bonds and Extends Share Repurchase Program**

**TUALATIN, Ore., August 6, 2008** — 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 balance sheet with the repurchase of outstanding bonds and the extension of its previously announced share repurchase program.

On August 6, 2008, the Company repurchased approximately \$15,000,000 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 70 to 71 percent of face value.

Additionally, on July 31, 2008, Pixelworks' Board of Directors approved an extension to the Company's existing share repurchase program for an additional twelve months, through September 2009. As of June 30, 2008, the Company had approximately \$4.4 million authorized for the repurchase of shares under the extended program.

**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.

**Forward-Looking Statements**

Forward-looking statements in this release, including those statements relating to the strengthening of our balance sheet and the repurchase of our stock, are based on current

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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; 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. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2007 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.

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

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