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On March 17, 2003, Pixelworks, Inc. and Genesis Microchip Inc. announced that they have entered into a merger agreement whereby Pixelworks is to acquire Genesis. The following is a series of slides relating to the merger that were presented and discussed in greater detail with the employees of Pixelworks, Inc. on March 17, 2003:



The Merger of Genesis and Pixelworks

March 17, 2003

Announcement



Merging into One Company

Creating

**Leading Provider of Innovative –
Cost Effective IC Solutions For Advanced Displays**



- Why are we doing this?
- What is the timeline?
- What is the impact to our customers?
- The New Company

Company Strengths



- **Best of Class Monitor Technology**
- **Mixed Signal Integration**
- **Operational Strength, >40Mu shipped**
- **140+ Patents Issued**
- **Award Winning Faroudja Video**
- **Brand Recognition**



- **Best of Class Projection Technology**
- **Feature Innovation**
- **Smart Integration Technology**
- **System Engineering Expertise**
- **Advanced Video Processing, HDTV**
- **Broad Applications Experience**



Strategy: Why are we doing this?



Leader in LCD Monitor ICs
Digital TV Technology



Flat Panel TV

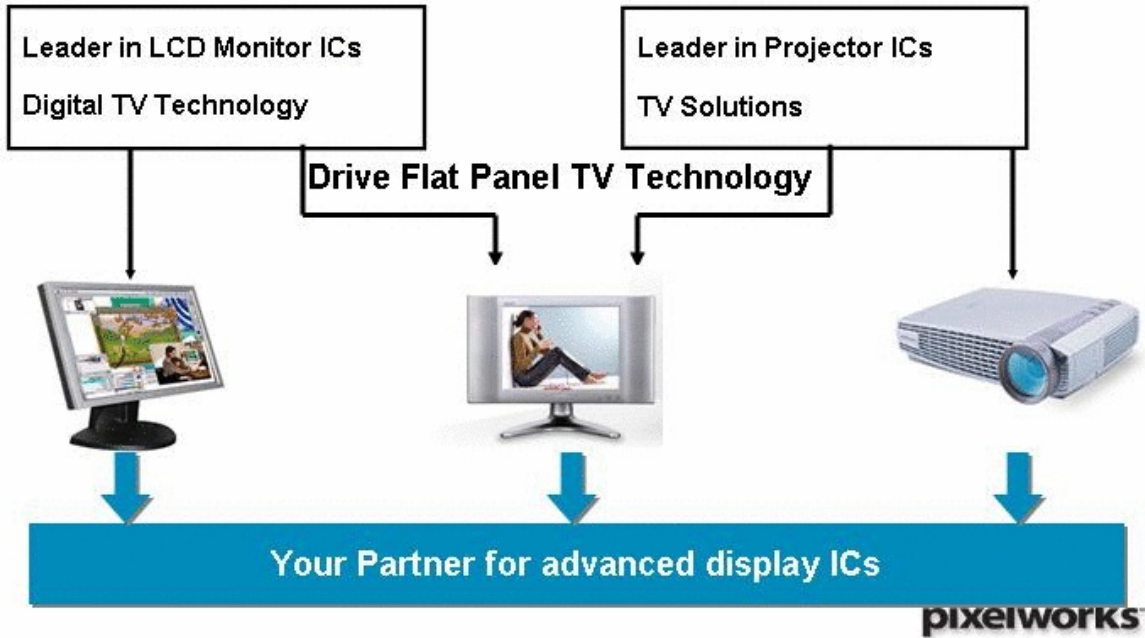


Leader in Projector ICs
TV Solutions

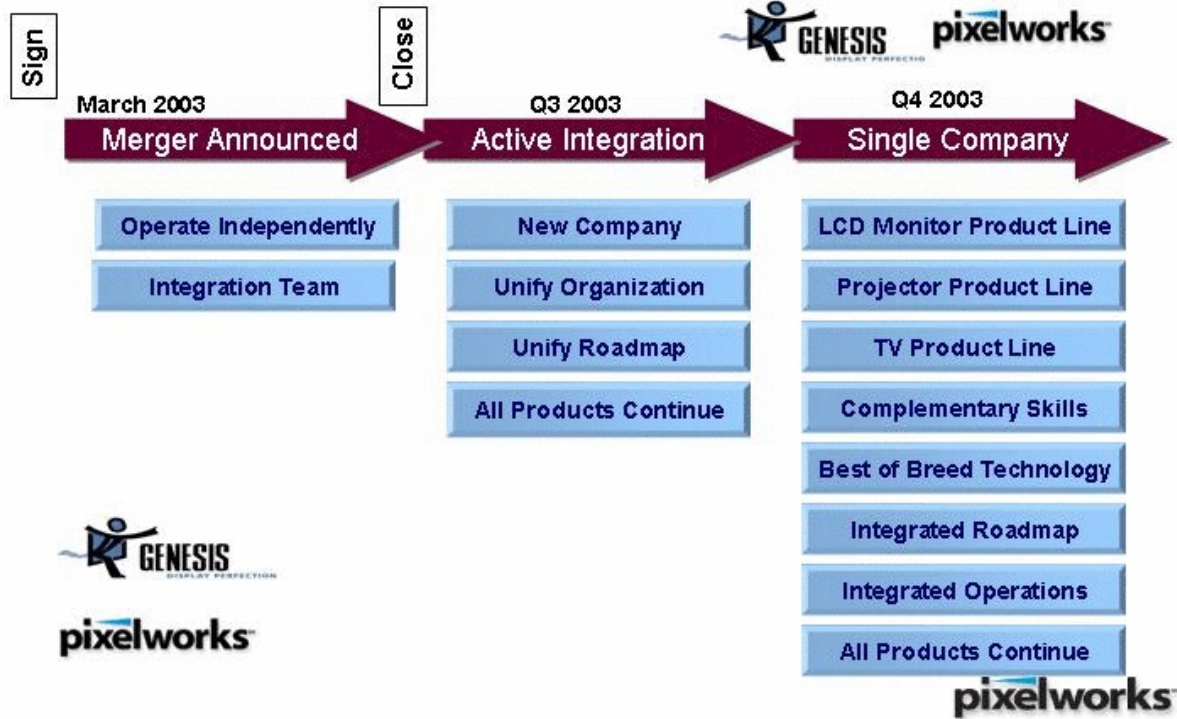
Flat Panel TV



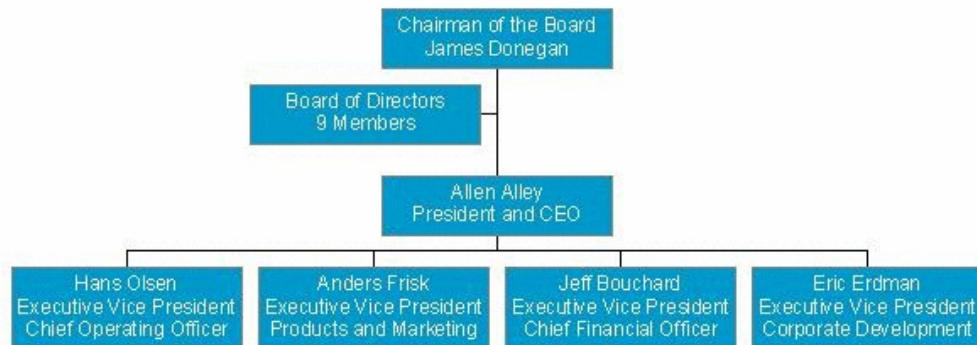
Strategy: Why are we doing this?



Integration Time Line



The New Organization



The New Company: Strategy

- Leadership in LCD monitor controllers
- Leadership in projector ICs
- CRT TV product initiative
- Drive flat panel TV adoption
- Total Customer Satisfaction



Customer Impact

After Closing

- **Continuity and Stability**
 - **Commitment to support customers during transition**
- **Assured Production**
 - **All existing Genesis and Pixelworks products**
- **Support**
 - **Designs in production**

Future

- **Complete Product Line for Advanced Displays**
 - **Monitors, Projectors, CRT TVs & Flat Panel TVs**
 - **Combined technologies for innovative products**
- **Increased R&D Capability**
 - **Ability to expand into broader markets**
- **Largest dedicated global customer support**



The New Company

- More Technology
 - Faroudja Video, nDSP, Mixed Signal, ...
 - More advancement and innovation in video technology
- More Products
 - Monitors, Projectors, CRT TVs, LCD TVs
- More Technical Support
 - Korea, Taiwan, Japan, China, North America, Europe, India
- Lower Costs
 - Manufacturing Volume, > 10Mu per quarter
 - More competitive pricing
- Financial Strength
 - \$200M+ Cash, \$300M+ Revenue



The Bottom Line

- What about my job?
- Who will I report to?
- Do I have to move?
- What will I be working on now?
- What about my stock?
- What about my benefits?
- What happens next?

What about my job?

- No changes at this time
- Some personnel reductions are expected and would occur following closure of the merger
- Staffing driven by:
 - Alignment of business objectives
 - Needs of customers
 - Talents of employees

Who do I report to?

- No immediate changes
- Until the close, we are still separate companies, and are required to continue to conduct business as competitors
- During the closing period, planning for the combined company will be conducted by the Integration Team

Do I have to move?

- We expect very few employee relocations
- We expect to continue operation in our present cities, although offices are likely to consolidate
 - Based on lease negotiations and capacity requirements in areas where co-locations exist
 - Field offices will likely be combined over time

What will I be working on?

- Business as usual -- Stay focused on current projects
- Project prioritization meetings will be scheduled in the following weeks

What about my stock?

- Each share of your stock or options will be exchanged for one share (1:1) of the combined company stock which will be issued at closing
- No change to existing option grants
 - Strike price on existing options will not change
 - Same vesting schedule
- The stock trading 'window' will open as usual 3 days following earnings announcement

What about my benefits?

- No change for now
- Both companies have comprehensive, competitive programs
- Following the closure, we will harmonize the benefits programs of both companies



What happens next?

- During the closing period:
 - Strict confidentiality requirements imposed by SEC/Justice Department
 - We are still separate companies
 - Continue to treat Genesis as a competitor
 - No e-mails, meetings or phone calls with Genesis
- Regular communications
 - Expect regular communications to update employees on merger status
 - Address concerns to your manager, director or VP



Questions & Answers

pixelworks