



OMNIVISION REPORTS RECORD REVENUES FOR FIRST QUARTER OF FISCAL 2012

~ First Quarter Revenues Grow 43% Year-Over-Year ~

SANTA CLARA, Calif., — August 25, 2011 — OmniVision Technologies, Inc. (Nasdaq: OVTI), a leading developer of advanced digital imaging solutions, today reported financial results for the fiscal first quarter ended July 31, 2011.

Revenues for the first quarter of fiscal 2012 were \$276.1 million, as compared to \$258.3 million in the fourth quarter of fiscal 2011, and \$193.1 million in the first quarter of fiscal 2011. GAAP net income attributable to OmniVision Technologies, Inc. in the first quarter of fiscal 2012 was \$42.0 million, or \$0.68 per diluted share, as compared to net income attributable to OmniVision Technologies, Inc. of \$34.0 million, or \$0.56 per diluted share in the fourth quarter of fiscal 2011, and \$16.9 million, or \$0.30 per diluted share in the first quarter of fiscal 2011.

Non-GAAP net income attributable to OmniVision Technologies, Inc. in the first quarter of fiscal 2012 was \$47.2 million, or \$0.76 per diluted share. Non-GAAP net income attributable to OmniVision Technologies, Inc. in the fourth quarter of fiscal 2011 was \$40.8 million, or \$0.66 per diluted share. Non-GAAP net income attributable to OmniVision Technologies, Inc. in the first quarter of fiscal 2011 was \$22.4 million, or \$0.39 per diluted share. Non-GAAP net income attributable to OmniVision Technologies, Inc. excludes stock-based compensation expenses and the related tax effects. Please refer to the attached schedule for a reconciliation of GAAP net income attributable to OmniVision Technologies, Inc. to non-GAAP net income attributable to OmniVision Technologies, Inc. for the three months ended July 31, 2011, July 31, 2010 and April 30, 2011.

GAAP gross margin for the first quarter of fiscal 2012 was 31.7%, as compared to 30.7% for the fourth quarter of fiscal 2011 and 26.9% for the first quarter of fiscal 2011. The sequential increase in first quarter gross margin reflected the favorable impact of an increase in revenues recorded on the sale of previously written-down inventory combined with a reduction in inventory valuation allowances. The Company ended the period with cash, cash equivalents and short-term investments totaling \$506.1 million, an increase of \$39.2 million from the previous quarter.

“We are extremely pleased with our achievement this quarter, with record revenues along with year-over-year revenues growth of 43 percent,” stated Shaw Hong, chief executive officer of

OmniVision Technologies, Inc. “We will maintain our focus on execution and our dedication to bringing leading-edge imaging sensors to the market.”

Outlook

Based on current trends, the Company expects fiscal second quarter 2012 revenues will be in the range of \$255 million to \$275 million and GAAP net income per share attributable to OmniVision Technologies, Inc. common stockholders will be between \$0.42 and \$0.54 per diluted share. Excluding the estimated expense and related tax effects associated with stock-based compensation, the Company expects its non-GAAP net income per share attributable to OmniVision Technologies, Inc. common stockholders will be between \$0.52 and \$0.64 per diluted share. Refer to the table below for a reconciliation of GAAP to non-GAAP net income.

Conference Call

OmniVision Technologies, Inc. will host a conference call today at 5:00 p.m. Eastern time to discuss these results further. This conference call can be accessed via a webcast at www.ovt.com. The call can also be accessed by dialing 866-314-5232 (domestic) or 617-213-8052 (international) and entering passcode 92783447.

A replay of the call will remain available at www.ovt.com for approximately twelve months. A replay of the call will also be available for one week beginning approximately one hour after the conclusion of the call. To access the replay, dial 888-286-8010 (domestic) or 617-801-6888 (international) and enter passcode 64049452.

About OmniVision

OmniVision Technologies, Inc. is a leading developer of advanced digital imaging solutions. Its CameraChip™ and CameraCube™ products using CameraCube™, OmniBSI™, OmniBSI-2™, OmniPixel®, OmniPixel2™, OmniPixel3™ and OmniPixel3-HS™ technologies are highly integrated, single-chip CMOS image sensors for consumer and commercial applications including mobile phones, notebooks, tablets and webcams, entertainment devices, security and surveillance systems, digital still and video cameras, automotive and medical imaging systems. Additional information is available at www.ovt.com.

Safe Harbor Statement

Certain statements in this press release, including statements relating to our ability to maintain focus on execution and dedication to technological leadership and our expectations regarding revenues and earnings per share for the three months ending October 31, 2011 are forward-looking statements. These forward-looking statements are based on management's current expectations, and certain factors could cause actual results to differ materially from those in the forward-looking statements. These factors include, without limitation, our ability to maintain and increase sales to current key customers and end-users of our products; our ability to timely complete the product development cycle for new sensors; competition in current and emerging markets for image sensor products, including pricing pressures that could result from competition; the impact of general economic conditions; the Company's ability to accurately forecast customer demand for its products; fluctuations of wafer manufacturing yields, manufacturing capacity and other manufacturing processes; the potential loss of one or more key customers or distributors; the continued growth and development of current markets and the emergence of new markets in which the Company sells, or may sell, its products; fluctuations in sales mix and average selling prices; the Company's ability to obtain design wins from various image sensor device manufacturers including manufacturers of mobile phone, laptops and personal computers, digital still cameras and automobile manufacturers; the market acceptance of products into which the Company's products are designed; the development, production, introduction and marketing of new products and technology; the acceptance of the Company's products in such current and new markets; the Company's strategic investments and relationships, and other risks detailed from time to time in the Company's Securities and Exchange Commission filings and reports, including, but not limited to, the Company's most recent Annual Report on Form 10-K and recent Quarterly Reports on Form 10-Q. The Company expressly disclaims any obligation to update information contained in any forward-looking statement.

Use of Non-GAAP Financial Information

To supplement the reader's overall understanding both of its reported results presented in accordance with U.S. generally accepted accounting principles ("GAAP") and its outlook, the Company also presents non-GAAP measures of net income and net income per share which are adjusted from results based on GAAP. In particular, the Company excludes stock-based compensation expense and the related tax effects. The non-GAAP financial measures which the Company discloses also exclude the effects of stock-based compensation on the number of basic and diluted common shares used in calculating non-GAAP basic and diluted net income per share. The Company provides these non-GAAP financial measures to enhance an investor's overall understanding of its current financial performance and to assess its prospects for the future. These non-GAAP financial measures reflect an additional way of viewing aspects of the Company's operations that, when viewed with its GAAP results and the accompanying reconciliations to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting the Company's business. The economic basis for the Company's decision to use non-GAAP financial measures is that the adjustments to net income did not reflect the on-going relative strength of the Company's performance. The Company's objective is to minimize any confusion in the financial markets by providing non-GAAP net income and non-GAAP net income per share measurements and disclosing the related

components. These non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the financial measures prepared in accordance with GAAP.

The Company uses non-GAAP financial measures for internal management purposes to conduct and evaluate its business, when publicly providing its business outlook and to facilitate period-to-period comparisons. The Company views non-GAAP net income per share as a primary indicator of the profitability of its underlying business. In addition, because stock-based compensation is a non-cash expense and is offset in full by a credit to paid-in capital, it has no effect on total stockholders' equity. As the calculation of non-GAAP financial measures differ between companies, the non-GAAP financial measures used by the Company may not be comparable to similarly titled measures used by other companies. Other than stock-based compensation and the related tax effects, these differences may cause the Company's non-GAAP measures to not be directly comparable to other companies' non-GAAP measures. Although these non-GAAP financial measures adjust cost, expenses and basic and diluted share items to exclude the accounting treatment of stock-based compensation, they should not be viewed as a non-GAAP presentation reflecting the elimination of the underlying stock-based compensation programs. Thus, the Company's non-GAAP presentations are not intended to present, and should not be used, as a basis for assessing what its operating results might be if it were to eliminate its stock-based compensation programs. The Company compensates for these limitations by providing full disclosure of the net income attributable to OmniVision Technologies, Inc. and net income per share attributable to OmniVision Technologies, Inc. common stockholders on a basis prepared in accordance with GAAP to enable investors to consider net income attributable to OmniVision Technologies, Inc. and net income per share attributable to OmniVision Technologies, Inc. common stockholders determined under GAAP as well as on an adjusted basis, and perform their own analysis, as appropriate. As a result of the foregoing limitations, the Company does not use, nor does the Company intend to use, the non-GAAP financial measures when assessing the Company's performance against that of other companies.

Estimating stock-based compensation expense and the related tax effects for a future period is subject to inherent risks and uncertainties, including but not limited to the price of the Company's stock, stock market volatility, expected option life, risk-free interest rates, and the number of option exercises and sales during the quarter.

OMNIVISION TECHNOLOGIES, INC.

**RECONCILIATION OF GUIDANCE FOR GAAP NET INCOME PER DILUTED SHARE
TO PROJECTED NON-GAAP NET INCOME PER DILUTED SHARE
(unaudited)**

	Three Months Ending October 31, 2011				
	GAAP Range of Estimates		Adjustment	Non-GAAP Range of Estimates	
	From	To		From	To
Net income per share attributable to OmniVision Technologies, Inc. common stockholders.....	<u>\$ 0.42</u>	<u>\$ 0.54</u>	<u>\$ 0.10</u> ⁽¹⁾	<u>\$ 0.52</u>	<u>\$ 0.64</u>

⁽¹⁾ Reflects estimated adjustment for expense and related tax effects associated with stock-based compensation.

OMNIVISION TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

	July 31, 2011	April 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 437,251	\$ 379,379
Short-term investments	68,804	87,505
Accounts receivable, net of allowances for doubtful accounts and sales returns	140,629	142,606
Inventories	143,786	106,873
Prepaid and deferred income taxes	8,717	4,937
Prepaid expenses and other current assets	6,946	9,671
Total current assets	806,133	730,971
Property, plant and equipment, net.....	116,224	115,446
Long-term investments	109,195	104,616
Goodwill	1,122	1,122
Intangibles, net.....	67,042	69,892
Other long-term assets	10,349	12,111
Total assets.....	<u>\$ 1,110,065</u>	<u>\$ 1,034,158</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable.....	\$ 118,291	\$ 102,519
Accrued expenses and other current liabilities	26,167	25,483
Deferred revenues, less cost of revenues	14,894	16,594
Current portion of long-term debt.....	4,330	4,323
Total current liabilities	163,682	148,919
Long-term liabilities:		
Long-term income taxes payable.....	85,979	87,526
Non-current portion of long-term debt	41,165	41,916
Other long-term liabilities.....	5,029	4,472
Total long-term liabilities	132,173	133,914
Total liabilities.....	295,855	282,833
Equity:		
OmniVision Technologies, Inc. stockholders' equity:		
Common stock, \$0.001 par value; 100,000 shares authorized; 72,115 shares issued and 59,574 outstanding at July 31, 2011 and 70,515 shares issued and 57,974 outstanding at April 30, 2011, respectively.....	72	71
Additional paid-in capital	554,770	533,776
Accumulated other comprehensive income.....	1,344	1,426
Treasury stock, 12,541 at July 31, 2011 and April 30, 2011, respectively.....	(178,683)	(178,683)
Retained earnings	436,707	394,735
Total OmniVision Technologies, Inc. stockholders' equity.....	814,210	751,325
Total equity	814,210	751,325
Total liabilities and equity.....	<u>\$ 1,110,065</u>	<u>\$ 1,034,158</u>

OMNIVISION TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	T hree Months E nded July 31,	
	2011	2010
Revenues	\$ 276,071	\$ 193,071
Cost of revenues.....	<u>188,678</u>	<u>141,116</u>
Gross profit	<u>87,393</u>	<u>51,955</u>
Operating expenses:		
Research, development and related	28,345	20,232
Selling, general and administrative.....	16,103	14,329
Amortization of acquired patent portfolio	<u>2,321</u>	<u>—</u>
Total operating expenses	<u>46,769</u>	<u>34,561</u>
Income from operations	40,624	17,394
Interest expense, net.....	(222)	(200)
Other income, net.....	<u>767</u>	<u>1,493</u>
Income before income taxes.....	41,169	18,687
Provision for (benefit from) income taxes	<u>(803)</u>	<u>1,781</u>
Net income	41,972	16,906
Net loss attributable to noncontrolling interest	<u>—</u>	<u>(32)</u>
Net income attributable to OmniVision Technologies, Inc.....	<u>\$ 41,972</u>	<u>\$ 16,938</u>
Net income per share attributable to OmniVision Technologies, Inc. common stockholders:		
Basic	<u>\$ 0.72</u>	<u>\$ 0.32</u>
Diluted	<u>\$ 0.68</u>	<u>\$ 0.30</u>
Shares used in computing net income per share attributable to OmniVision Technologies, Inc. common stockholders:		
Basic	<u>58,650</u>	<u>53,214</u>
Diluted	<u>61,409</u>	<u>56,572</u>

OMNIVISION TECHNOLOGIES, INC.

RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME
(in thousands, except per share amounts)
(unaudited)

	T h r e e M o n t h s E n d e d J u l y 3 1 ,		T h r e e M o n t h s E n d e d A p r i l 3 0 ,
	2011	2010	2011
GAAP net income attributable to OmniVision Technologies, Inc.	\$ 41,972	\$ 16,938	\$ 33,959
Add:			
Stock-based compensation in cost of revenues	464	533	438
Stock-based compensation in research, development and related expenses.....	2,604	2,564	2,149
Stock-based compensation in selling, general and administrative expenses.....	2,217	2,038	2,165
(Increase) decrease in provision for income taxes without the effect of stock-based compensation.....	<u>(70)</u>	<u>313</u>	<u>2,075</u>
Non-GAAP net income attributable to OmniVision Technologies, Inc. ...	<u>\$ 47,187</u>	<u>\$ 22,386</u>	<u>\$ 40,786</u>
 GAAP provision for (benefit from) income taxes	 \$ (803)	 \$ 1,781	 \$ 2,962
(Increase) decrease in provision for income taxes without the effect of stock-based compensation.....	<u>(70)</u>	<u>313</u>	<u>2,075</u>
Non-GAAP provision for (benefit from) income taxes	<u>\$ (733)</u>	<u>\$ 1,468</u>	<u>\$ 887</u>
 Non-GAAP net income per share attributable to OmniVision Technologies, Inc. common stockholders:			
Basic.....	<u>\$ 0.80</u>	<u>\$ 0.42</u>	<u>\$ 0.71</u>
Diluted.....	<u>\$ 0.76</u>	<u>\$ 0.39</u>	<u>\$ 0.66</u>
 Shares used in computing non-GAAP net income per share attributable to OmniVision Technologies, Inc. common stockholders:			
Basic.....	<u>58,650</u>	<u>53,214</u>	<u>57,674</u>
Diluted.....	<u>62,332</u>	<u>57,149</u>	<u>61,479</u>

Contact Information

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