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OMNIVISION REPORTS FINANCIAL RESULTS FOR THIRD QUARTER OF FISCAL 2010

~ Vice President of Engineering Henry Yang Appointed to Board of Directors ~

SANTA CLARA, Calif., February 25, 2010 — OmniVision Technologies, Inc. (Nasdaq: OVTI), a leading developer of advanced digital imaging solutions, today reported financial results for the third quarter of fiscal 2010 ended January 31, 2010.

Revenues for the third quarter of fiscal 2010 were \$156.9 million, as compared to \$183.3 million in the second quarter of fiscal 2010, and \$80.0 million in the third quarter of fiscal 2009. GAAP net income attributable to OmniVision Technologies, Inc. in the third quarter of fiscal 2010 was \$5.0 million, or \$0.09 per diluted share, as compared to net income attributable to OmniVision Technologies, Inc. of \$8.1 million, or \$0.16 per diluted share in the second quarter of fiscal 2010, and a net loss attributable to OmniVision Technologies, Inc. of \$18.2 million, or \$0.36 per share in the third quarter of fiscal 2009.

Non-GAAP net income attributable to OmniVision Technologies, Inc. in the third quarter of fiscal 2010, which excludes stock-based compensation expense and the related tax effects, was \$10.8 million, or \$0.20 per diluted share. Non-GAAP net income attributable to OmniVision Technologies, Inc. in the second quarter of fiscal 2010, which excludes stock-based compensation expense and the related tax effects, was \$14.3 million, or \$0.27 per diluted share. Non-GAAP net loss attributable to OmniVision Technologies, Inc. in the third quarter of fiscal 2009, which excludes stock-based compensation expense and the related tax effects, was \$11.8 million, or \$0.24 per share. Refer to the attached schedule for a reconciliation of GAAP net income (loss) attributable to OmniVision Technologies, Inc. to non-GAAP net income (loss) attributable to OmniVision Technologies, Inc. for the three and nine months ended January 31, 2010 and 2009 and for the three months ended October 31, 2009.

Gross margin for the third quarter of fiscal 2010 was 24.6% as compared to 24.0% for the second quarter of fiscal 2010 and 22.4% for the third quarter of fiscal 2009. The sequential increase in gross margin reflected a slightly improved product mix and a reduced inventory valuation exposure due to the improving business outlook.

The Company ended the period with cash, cash equivalents and short-term investments totaling \$342.8 million, a decrease of \$11.1 million from the previous quarter. The decrease primarily reflects, a \$13.4 million increase in working capital investment, primarily in inventory.

“We are very excited by the prospects presented by our recent introduction of our new OmniBSI-2 pixel architecture. With this new technological milestone, we further extended our leadership in pixel technology development,” stated Shaw Hong, chief executive officer of OmniVision Technologies, Inc.

“We are equally excited by the design wins we have achieved based on our original first-generation BSI technology. We anticipate a further increase in the shipment of devices using our BSI technology as these devices gain traction and benefit from the improving business climate,” Mr. Hong concluded.

“We are also pleased to welcome, Henry Yang, our Vice President of Engineering, to our Board of Directors. Henry has been an extremely important contributor to the success of OmniVision, leading the company’s research and engineering efforts for many years. As we move forward, Henry will continue to be a key contributor to the strategic development and business operations of OmniVision,” concluded Mr. Hong.

Outlook

Based on current trends, the Company expects fiscal fourth quarter 2010 revenues will be in the range of \$145 million to \$160 million and GAAP net income per share attributable to OmniVision Technologies, Inc. common stockholders will be between \$0.00 and \$0.10 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 \$0.11 and \$0.21 per diluted share. Refer to the table below for a reconciliation of GAAP to non-GAAP net income.

Conference Call

OmniVision Technologies 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 866-272-9941 (domestic) or 617-213-8895 (international) and entering passcode 84569785.

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 call. To access the replay, dial 888-286-8010 (domestic) or 617-801-6888 (international) and enter passcode 69403878.

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, netbooks and webcams, security and surveillance systems, digital still and video cameras, automotive and medical imaging systems and entertainment devices. Additional information is available at www.ovt.com.

Safe Harbor Statement

Certain statements in this press release, including statements relating to a further increase in shipments of devices using our BSI technology and statements relating to the Company's expectations regarding revenues and earnings per share for the three months ending April 30, 2010 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, the impact of general economic conditions; competition in current and emerging markets for image sensor products, including pricing pressures that could result from competition; 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 PCs, digital still cameras and automobile manufacturers; the market acceptance of products into which the Company's products are designed; fluctuations of wafer manufacturing yields and other manufacturing processes; the Company's ability to accurately forecast customer demand for its products; the development, production, introduction and marketing of new products and technology; 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; 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 (loss) and net income (loss) per share which are adjusted from results based on GAAP. In particular, the Company excludes stock-based compensation expense and the related tax effects and a one-time goodwill impairment charge in fiscal 2009. 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 (loss) 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 (loss) 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 (loss) and non-GAAP net income (loss) 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 (loss) 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, 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 and goodwill impairment, 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 (loss) attributable to OmniVision Technologies, Inc. and net income (loss) per share attributable to OmniVision Technologies, Inc. common stockholders on a basis prepared in accordance with GAAP to enable investors to consider net income (loss) attributable to OmniVision Technologies, Inc. and net income (loss) 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 April 30, 2010					
	GAAP			Non-GAAP		
	Range of Estimates		From	To	Range of Estimates	
Net income per share attributable to OmniVision Technologies, Inc. common stockholders.....		<u>\$ 0.00</u>	<u>\$ 0.10</u>	<u>\$ 0.11</u> ⁽¹⁾	<u>\$ 0.11</u>	<u>\$ 0.21</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)

	January 31, 2010	April 30, 2009 ⁽¹⁾
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 274,517	\$ 257,808
Short-term investments	68,325	16,973
Accounts receivable, net of allowances for doubtful accounts and sales returns	67,685	43,978
Inventories	109,820	105,024
Refundable and deferred income taxes	5,183	1,092
Prepaid expenses and other current assets	<u>7,562</u>	<u>7,779</u>
Total current assets	533,092	432,654
Property, plant and equipment, net.....	119,439	119,071
Long-term investments.....	90,783	85,469
Intangibles, net	2,570	7,396
Other long-term assets.....	<u>21,971</u>	<u>22,341</u>
Total assets	<u>\$ 767,855</u>	<u>\$ 666,931</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 83,850	\$ 28,775
Accrued expenses and other current liabilities.....	19,173	12,153
Income taxes payable	—	692
Deferred revenues, less cost of revenues	10,774	7,176
Current portion of long-term debt.....	<u>4,286</u>	<u>3,555</u>
Total current liabilities	<u>118,083</u>	<u>52,351</u>
Long-term liabilities:		
Long-term income taxes payable	83,710	81,266
Non-current portion of long-term debt.....	38,991	32,867
Other long-term liabilities.....	<u>7,152</u>	<u>8,109</u>
Total long-term liabilities	<u>129,853</u>	<u>122,242</u>
Total liabilities.....	<u>247,936</u>	<u>174,593</u>
Equity:		
OmniVision Technologies, Inc. stockholders' equity:		
Common stock, \$0.001 par value; 100,000 shares authorized; 63,848 issued and 51,307 outstanding at January 31, 2010 and 62,590 shares issued and 50,049 outstanding at April 30, 2009, respectively	64	63
Additional paid-in capital	427,493	403,159
Accumulated other comprehensive income	898	773
Treasury stock, 12,541 at January 31, 2010 and April 30, 2009, respectively	(178,683)	(178,683)
Retained earnings	<u>266,707</u>	<u>263,529</u>
Total OmniVision Technologies, Inc. stockholders' equity	516,479	488,841
Noncontrolling interest	<u>3,440</u>	<u>3,497</u>
Total equity.....	<u>519,919</u>	<u>492,338</u>
Total liabilities and equity	<u>\$ 767,855</u>	<u>\$ 666,931</u>

⁽¹⁾ As adjusted due to the adoption of authoritative accounting guidance for noncontrolling interests.

OMNIVISION TECHNOLOGIES, INC.

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

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2010	2009 ⁽¹⁾	2010	2009 ⁽¹⁾
Revenues	\$ 156,935	\$ 80,046	\$ 445,839	\$ 418,260
Cost of revenues	<u>118,396</u>	<u>62,142</u>	<u>339,668</u>	<u>315,546</u>
Gross profit	<u>38,539</u>	<u>17,904</u>	<u>106,171</u>	<u>102,714</u>
Operating expenses:				
Research, development and related.....	20,414	20,812	57,699	64,311
Selling, general and administrative	15,587	13,949	45,956	48,221
Goodwill impairment	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,541</u>
Total operating expenses	<u>36,001</u>	<u>34,761</u>	<u>103,655</u>	<u>120,073</u>
Income (loss) from operations.....	2,538	(16,857)	2,516	(17,359)
Interest income (expense), net.....	(145)	424	(593)	2,178
Other income (expense), net.....	<u>2,881</u>	<u>(2,914)</u>	<u>3,672</u>	<u>(3,719)</u>
Income (loss) before income taxes	5,274	(19,347)	5,595	(18,900)
Provision for (benefit from) income taxes.....	<u>467</u>	<u>(921)</u>	<u>2,616</u>	<u>(1,002)</u>
Net income (loss).....	<u>4,807</u>	<u>(18,426)</u>	<u>2,979</u>	<u>(17,898)</u>
Net loss attributable to noncontrolling interest.....	<u>(143)</u>	<u>(235)</u>	<u>(199)</u>	<u>(627)</u>
Net income (loss) attributable to OmniVision Technologies, Inc	<u>\$ 4,950</u>	<u>\$ (18,191)</u>	<u>\$ 3,178</u>	<u>\$ (17,271)</u>
Net income (loss) per share attributable to OmniVision Technologies, Inc. common stockholders:				
Basic	<u>\$ 0.10</u>	<u>\$ (0.36)</u>	<u>\$ 0.06</u>	<u>\$ (0.34)</u>
Diluted	<u>\$ 0.09</u>	<u>\$ (0.36)</u>	<u>\$ 0.06</u>	<u>\$ (0.34)</u>
Shares used in computing net income (loss) per share attributable to OmniVision Technologies, Inc. common stockholders:				
Basic	<u>51,273</u>	<u>50,036</u>	<u>50,870</u>	<u>50,682</u>
Diluted	<u>52,554</u>	<u>50,036</u>	<u>52,007</u>	<u>50,682</u>

⁽¹⁾ As adjusted due to the adoption of authoritative accounting guidance for noncontrolling interests.

OMNIVISION TECHNOLOGIES, INC.

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

	Three Months Ended January 31,		Nine Months Ended January 31,		Three Months Ended October 31, 2009
	2010	2009	2010	2009	
GAAP net income (loss) attributable to OmniVision Technologies, Inc.	\$ 4,950	\$(18,191)	\$ 3,178	\$(17,271)	\$ 8,084
Add:					
Stock-based compensation in cost of revenues	758	777	2,190	2,366	624
Stock-based compensation in research, development and related expenses.....	2,595	2,976	7,753	9,075	2,705
Stock-based compensation in selling, general and administrative expenses...	2,671	2,527	8,282	8,690	2,774
Goodwill impairment	—	—	—	7,541	—
(Increase) decrease in provision for income taxes without the effect of stock-based compensation	(134)	118	(152)	684	161
Non-GAAP net income (loss) attributable to OmniVision Technologies, Inc.	<u>\$ 10,840</u>	<u>\$(11,793)</u>	<u>\$ 21,251</u>	<u>\$ 11,085</u>	<u>\$ 14,348</u>
GAAP provision for (benefit from) income taxes	\$ 467	\$ (921)	\$ 2,616	\$ (1,002)	\$ 961
(Increase) decrease in provision for income taxes without the effect of stock-based compensation	(134)	118	(152)	684	161
NON-GAAP provision for (benefit from) income taxes	<u>\$ 601</u>	<u>\$ (1,039)</u>	<u>\$ 2,768</u>	<u>\$ (1,686)</u>	<u>\$ 800</u>
Non-GAAP net income (loss) per share attributable to OmniVision Technologies, Inc. common stockholders:					
Basic.....	<u>\$ 0.21</u>	<u>\$ (0.24)</u>	<u>\$ 0.42</u>	<u>\$ 0.22</u>	<u>\$ 0.28</u>
Diluted.....	<u>\$ 0.20</u>	<u>\$ (0.24)</u>	<u>\$ 0.40</u>	<u>\$ 0.22</u>	<u>\$ 0.27</u>
Shares used in computing non-GAAP net income (loss) per share attributable to OmniVision Technologies, Inc. common stockholders:					
Basic.....	<u>51,273</u>	<u>50,036</u>	<u>50,870</u>	<u>50,682</u>	<u>50,763</u>
Diluted.....	<u>53,421</u>	<u>50,036</u>	<u>52,525</u>	<u>51,487</u>	<u>52,477</u>