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## OMNIVISION REPORTS RECORD REVENUES AND NET INCOME FOR SECOND-QUARTER FISCAL 2003

**SUNNYVALE, Calif. – November 20, 2002 – OmniVision Technologies, Inc. (Nasdaq NM: OVTI)** reported that for the three months ended October 31, 2002, it earned a record \$3.0 million, or \$0.12 per diluted share, on record revenues of \$21.7 million. OmniVision's current fiscal year ends April 30, 2003.

In the comparable period a year ago, the Company reported a net loss of \$3.7 million, including a one-time charge of \$3.5 million pursuant to settlement of a patent dispute. The loss for the three-month period ended October 31, 2001 was \$0.17 per share, on revenues of \$12.3 million. Absent the one-time charge, the loss for the three months ended October 31, 2001 would have been approximately \$200,000, a loss of \$0.01 per share. For the three months ended July 31, 2002, the first quarter of its current fiscal year, OmniVision reported net income of \$1.6 million, or \$0.07 per diluted share, on revenues of \$16.8 million. Prior to today's announcement, the highest quarterly revenues and net income reported by the Company were \$18.4 million and \$2.1 million, respectively, both in the three months ended October 31, 2001.

For the three months ended October 31, 2002, gross profit was \$8.7 million, or 39.9% of revenues, including approximately \$957,000 from the sale of previously written-off inventory. This compares to a gross profit of \$6.5 million, or 38.8% of revenues, in the immediately preceding quarter ended July 31, 2002, which included approximately \$795,000 from the sale of previously written-off inventory. Gross profit in the three months ended October 31, 2001 was \$4.7 million, or 38.1% of revenues, including approximately \$463,000 from the sale of previously written-off inventory.

Absent sales of previously written-off inventory, gross margins would have been 37.2% in the three months ended October 31, 2002, compared to 35.8% in the three months ended July 31, 2002, and 34.3% in the three months ended October 31, 2001. Excluding the benefit from the sale of previously written-off product, net income for the three months ended October 31, 2002, would have been approximately \$2.2 million, or \$0.09 per diluted share.

"In addition to achieving record revenues during the quarter," said Shaw Hong, OmniVision's president and CEO, "in September we shipped our twenty-millionth image sensor product — a testament to the technology underlying our single-chip CMOS image sensors and our success in penetrating a market that continues to show potential for growth. Both our 1.3 and 2 mega-pixel chips are now appearing in more than a dozen brands of digital still cameras, including Polaroid, Concord, Aiptek, and BenQ."

Distributors accounted for 41% of revenues for the three months ended October 31, 2002, with the balance of 59% coming from direct sales to original equipment manufacturers and value added resellers.

Research and development expenses were \$2.5 million for the three months ended October 31, 2002, or 11% of revenues, compared to \$2.6 million, or 16% of revenues, in the three months ended July 31, 2002. Selling, marketing, general and administrative expenses were \$2.7 million, or 12% of revenues, compared to \$2.1 million, or 12% of revenues, in the three months ended July 31, 2002.

As of October 31, 2002, the Company had \$53.4 million in cash and short-term investments, \$68.8 million in working capital, no debt, and stockholders' equity of \$77.7 million.

For the quarter ending January 31, 2003, the Company currently expects to report earnings in a range of \$0.09 to \$0.11 per diluted share, on revenues of \$21 million to \$23 million. These expectations do not presume the sale of any previously written-off inventory.

### **About OmniVision**

OmniVision Technologies is a supplier of highly integrated semiconductor imaging devices for high-volume, low-cost computing, communications and consumer electronics applications. With its small footprint and low power consumption, the Company's proprietary highly integrated CameraChip™ enjoys significant competitive advantages over CCD image sensors and other multi-chip CMOS solutions. Single-photo and video applications include cameras for cell phones, PDAs, motor vehicles, digital still cameras, commercial and residential surveillance, toys and games, and biometric identification. Further information is available at [www.ovt.com](http://www.ovt.com).

OmniVision and CameraChip™ are trademarks of OmniVision Technologies, Inc.

### **Safe Harbor**

*Certain statements in this press release, including statements relating to the Company's expectations regarding revenues and earnings for the quarter ended January 31, 2003 and the potential for continued growth in the markets for the Company's products are forward looking statements that are subject to risks and uncertainties. These risks and uncertainties, which could cause the forward looking statements and OmniVision's results to differ materially, include, without limitation: the degree to which intense competition might affect the Company's ability to compete successfully in its current markets and in emerging markets; the failure to obtain design wins from camera and cell phone manufacturers, which could inhibit the Company's ability to diversify its customer base; problems with wafer manufacturing yields, which could result in higher operating costs and adversely affect the Company's revenues and earnings; any delay in the introduction, manufacture and development of new products, which could adversely affect the Company's revenues, earnings and gross margins as well as its strategy to diversify its customer base; the Company's dependence upon a few key customers, which could adversely affect its revenues and earnings; a decline in the average selling price of the Company's products, which could result in a decline in its gross margins; the failure of demand for the Company's products in current markets and emerging markets to meet the Company's expectations, which could result in lower revenues and earnings and the other risks detailed from time to time in OmniVision's Securities and Exchange Commission filings and reports, including, but not limited to, OmniVision's quarterly reports filed on form 10-Q. OmniVision disclaims any obligation to update information contained in any forward looking statement.*

(Financial tables follow)

**OMNIVISION TECHNOLOGIES, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

**(in thousands)**

**(unaudited)**

	<b>October 31, <u>2002</u></b>	<b>April 30, <u>2002</u></b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 51,398	\$ 55,803
Short-term investments .....	2,000	2,002
Accounts receivable, net .....	15,111	10,787
Inventories .....	11,905	3,244
Refundable and deferred income taxes .....	2,984	3,066
Prepaid expenses and other assets .....	<u>2,422</u>	<u>987</u>
Total current assets .....	85,820	75,889
Property, plant and equipment, net .....	8,529	6,164
Other non-current assets .....	<u>345</u>	<u>288</u>
Total assets .....	<u>\$94,694</u>	<u>\$ 82,341</u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable .....	\$ 11,761	\$ 5,865
Accrued expenses and other liabilities .....	4,302	4,306
Deferred revenue .....	<u>926</u>	<u>651</u>
Total current liabilities .....	<u>16,989</u>	<u>10,822</u>
Stockholders' equity:		
Common stock, \$0.001 par value; 100,000 shares authorized; 22,582 and 22,094 shares issued and outstanding .....	23	22
Additional paid-in capital .....	96,835	95,469
Deferred compensation related to stock options .....	(297)	(479)
Accumulated deficit .....	<u>(18,856)</u>	<u>(23,493)</u>
Total stockholders' equity .....	<u>77,705</u>	<u>71,519</u>
Total liabilities and stockholders' equity .....	<u>\$ 94,694</u>	<u>\$82,341</u>

**OMNIVISION TECHNOLOGIES, INC.**

**CONDENSED STATEMENTS OF OPERATIONS**  
**(in thousands, except per share amounts)**  
**(Unaudited)**

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>October 31,</u> <u>2002</u>	<u>October 31,</u> <u>2001</u>	<u>October 31,</u> <u>2002</u>	<u>October 31,</u> <u>2001</u>
Revenues .....	\$ 21,743	\$ 12,265	\$ 38,533	\$ 23,426
Cost of revenues .....	<u>13,063</u>	<u>7,591</u>	<u>23,337</u>	<u>13,724</u>
Gross profit.....	<u>8,680</u>	<u>4,674</u>	<u>15,196</u>	<u>9,702</u>
Operating expenses:				
Research and development.....	2,489	1,798	5,119	3,486
Selling, general and administrative .....	2,710	3,384	4,790	6,623
Stock compensation charge .....	150	167	264	325
Litigation settlement.....	<u>—</u>	<u>3,500</u>	<u>—</u>	<u>3,500</u>
Total operating expenses .....	<u>5,349</u>	<u>8,849</u>	<u>10,173</u>	<u>13,934</u>
Income from operations.....	3,331	(4,175)	5,023	(4,232)
Interest income (expense), net.....	<u>216</u>	<u>454</u>	<u>432</u>	<u>1,021</u>
Income before income taxes.....	3,547	(3,721)	5,455	(3,211)
Provision for income taxes .....	<u>532</u>	<u>—</u>	<u>818</u>	<u>—</u>
Net income (loss).....	<u>\$ 3,015</u>	<u>\$ (3,721)</u>	<u>\$ 4,637</u>	<u>\$ (3,211)</u>
Net income (loss) per share:				
Basic .....	<u>\$ 0.13</u>	<u>\$ (0.17)</u>	<u>\$ 0.21</u>	<u>\$ (0.15)</u>
Diluted .....	<u>\$ 0.12</u>	<u>\$ (0.17)</u>	<u>\$ 0.19</u>	<u>\$ (0.15)</u>
Shares used in computing net income per share:				
Basic .....	<u>22,438</u>	<u>21,795</u>	<u>22,348</u>	<u>21,738</u>
Diluted .....	<u>24,441</u>	<u>21,795</u>	<u>24,955</u>	<u>21,738</u>