



930 Thompson Place, Sunnyvale, CA 94086
Tel: (408) 733-3030 Fax: (408) 733-3061

H. Gene McCown
Chief Financial Officer
408-733-3030

Philip Bourdillon / Gene Heller
Silverman Heller Associates
310-208-2550

OMNIVISION REPORTS REVENUES AND NET INCOME FOR THIRD-QUARTER FISCAL 2003

SUNNYVALE, Calif. – February 19, 2003 – OmniVision Technologies, Inc. (Nasdaq NM: OVTD) reported that for the three months ended January 31, 2003, it earned a record \$4.6 million, or \$0.18 per diluted share, on record revenues of \$30.5 million, compared to net income of \$330,000, or \$0.01 per diluted share, on revenues of \$10.0 million in the third quarter of fiscal 2002, which ended January 31, 2002. OmniVision's current fiscal year ends April 30, 2003.

For the three months ended January 31, 2003, gross profit was \$11.5 million, or 37.8% of revenues, and included approximately \$347,000 from the sale of previously written-off inventory. This compares to a gross profit of \$8.7 million, or 39.9% of revenues, in the immediately preceding quarter ended October 31, 2002, which included approximately \$957,000 from the sale of previously written-off inventory. Gross profit in the three months ended January 31, 2002 was \$4.2 million, or 42.5% of revenues, and included approximately \$1.3 million from the sale of previously written-off inventory, which was partially offset by an inventory write-down of approximately \$600,000.

Absent sales of previously written-off inventory, gross margins would have been 37.1% of revenues in the three months ended January 31, 2003, compared to 37.2% of revenues in the three months ended October 31, 2002, and 35.1% of revenues in the three months ended January 31, 2002. Excluding benefits from the sale of previously written-off product, net income for the three months ended January 31, 2003, would have been approximately \$4.3 million, or \$0.17 per diluted share, compared to net income of approximately \$2.2 million, or \$0.09 per diluted share, for the three months ended October 31, 2002; for the three months ended January 31, 2002, the Company would have reported a net loss of approximately \$413,000, or \$0.02 per share.

Shaw Hong, OmniVision's president and CEO, noted that third-quarter revenues were three times those of the comparable period in fiscal 2002, and sequentially 40% higher than second-quarter fiscal 2003 revenues of \$21.7 million. Hong attributed the higher-than-expected revenues and earnings to exceptionally strong demand from manufacturers of digital still cameras and cameras for cell phones. "Many of our customers in Asia accelerated delivery schedules in anticipation of the Chinese New Year in February," said Hong. "Consequently, our current expectations are that we will see only modest sequential growth in the fourth quarter."

For the quarter ending April 30, 2003, the Company currently expects to report earnings in a range of \$0.18 to \$0.19 per diluted share on revenues of \$31 million to \$33 million; these expectations do not presume the sale of any previously written-off inventory.

For the three months ended January 31, 2003, direct sales to original equipment manufacturers and value-added resellers accounted for approximately 66% of revenues, with the balance of approximately 34% coming from sales through our distributors. Research and development expenses were \$3.1 million, or 10.3% of revenues, compared to \$2.5 million, or 11.4% of revenues, in the prior quarter. Selling, marketing, general and administrative expenses were \$2.9 million, or 9.4% of revenues, compared to \$2.7 million, or 12.5% of revenues, in the three months ended October 31, 2002.

As of January 31, 2003, the Company had \$53.8 million in cash and short-term investments, \$72.9 million in working capital, no debt, and stockholders' equity of \$84.0 million.

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.

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 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; 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)

| | January 31, <u>2003</u> | April 30, <u>2002</u> |
|--|--|--|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 48,588 | \$ 55,803 |
| Short-term investments | 5,173 | 2,002 |
| Accounts receivable, net | 18,071 | 10,787 |
| Inventories | 16,297 | 3,244 |
| Refundable and deferred income taxes | 2,861 | 3,066 |
| Prepaid expenses and other assets | <u>2,981</u> | <u>987</u> |
| Total current assets | 93,971 | 75,889 |
| Property, plant and equipment, net | 10,759 | 6,164 |
| Other non-current assets | <u>343</u> | <u>288</u> |
| Total assets | <u>\$105,073</u> | <u>\$ 82,341</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 14,282 | \$ 5,865 |
| Accrued expenses and other liabilities | 4,545 | 4,306 |
| Deferred revenue | <u>2,244</u> | <u>651</u> |
| Total current liabilities | <u>21,071</u> | <u>10,822</u> |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value; 100,000 shares authorized; 23,003 and 22,287 shares issued and outstanding | 23 | 22 |
| Additional paid-in capital | 98,464 | 95,469 |
| Deferred compensation related to stock options | (227) | (479) |
| Accumulated deficit | <u>(14,258)</u> | <u>(23,493)</u> |
| Total stockholders' equity | <u>84,002</u> | <u>71,519</u> |
| Total liabilities and stockholders' equity | <u>\$105,073</u> | <u>\$82,341</u> |

OMNIVISION TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)
(Unaudited)

| | <u>Three Months Ended</u> | | <u>Nine Months Ended</u> | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | <u>January 31,</u> <u>2003</u> | <u>January 31,</u> <u>2002</u> | <u>January 31,</u> <u>2003</u> | <u>January 31,</u> <u>2002</u> |
| Revenues | \$ 30,522 | \$ 9,973 | \$ 69,055 | \$ 33,399 |
| Cost of revenues | <u>18,980</u> | <u>5,732</u> | <u>42,317</u> | <u>19,456</u> |
| Gross profit..... | <u>11,542</u> | <u>4,241</u> | <u>26,738</u> | <u>13,943</u> |
| Operating expenses: | | | | |
| Research and development..... | 3,132 | 1,851 | 8,251 | 5,337 |
| Selling, general and administrative | 2,869 | 2,205 | 7,659 | 8,828 |
| Stock compensation charge | 68 | 107 | 332 | 432 |
| Litigation settlement..... | <u>—</u> | <u>—</u> | <u>—</u> | <u>3,500</u> |
| Total operating expenses | <u>6,069</u> | <u>4,163</u> | <u>16,242</u> | <u>18,097</u> |
| Income (loss) from operations..... | 5,473 | 78 | 10,496 | (4,154) |
| Interest income | <u>199</u> | <u>252</u> | <u>631</u> | <u>1,273</u> |
| Income (loss) before income taxes | 5,672 | 330 | 11,127 | (2,881) |
| Provision for income taxes | <u>1,074</u> | <u>—</u> | <u>1,892</u> | <u>—</u> |
| Net income (loss)..... | <u>\$ 4,598</u> | <u>\$ 330</u> | <u>\$ 9,235</u> | <u>\$(2,881)</u> |
| Net income (loss) per share: | | | | |
| Basic | <u>\$ 0.20</u> | <u>\$ 0.02</u> | <u>\$ 0.41</u> | <u>\$ (0.13)</u> |
| Diluted | <u>\$ 0.18</u> | <u>\$ 0.01</u> | <u>\$ 0.38</u> | <u>\$ (0.13)</u> |
| Shares used in computing net income per share: | | | | |
| Basic | <u>22,807</u> | <u>21,936</u> | <u>22,498</u> | <u>21,801</u> |
| Diluted | <u>25,563</u> | <u>24,605</u> | <u>24,535</u> | <u>21,801</u> |