



NEWS

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ESS's Integrated VibrattoII MX DVD SOC Receives DivXNetworks's Certification

First Single-Chip Servo-Decoder To Offer DivX Certified Functionality for DVD Players

FREMONT, Calif., December 1, 2003—ESS Technology (Nasdaq: ESST) a leading provider of silicon solutions for digital video, digital imaging and digital audio consumer electronics, today announced that DivXNetworks, Inc., the company that created the revolutionary, patent-pending, DivX® video compression technology, has designated ESS's Vibratto™II MX family of DVD processors as DivX Certified™ hardware components. VibrattoII MX is the first advanced system-on-a-chip DVD solution incorporating MPEG-2 and DivX video decoding with DVD digital servo technology to meet the stringent certification requirements needed to qualify for the DivX Certified Home Theater Profile designation.

ESS Technology developed the VibrattoII MX product line to allow manufacturers to address the growing consumer demand for cutting-edge multimedia technology at attractive price points. DivX video is the world's most popular MPEG-4 compatible video compression technology, with over 100 million users worldwide. ESS expects several major consumer electronics manufacturers to ship DivX Certified DVD players using ESS's VibrattoII MX DVD chips during this holiday season.

“We are excited to be the first-to-market with our DivX Certified VibrattoII MX system-on-a-chip that will enable the next generation of multimedia DVD players at affordable prices,”

said Patrick Ang, executive vice president and chief operating officer of ESS Technology. "This announcement further solidifies ESS's leadership in this category, established in July when ESS became the world's first DivX Certified DVD partner. DivX video is quickly becoming the worldwide de-facto standard for multimedia-over-broadband and we are proud to be the first company to receive DivX certification for a DVD integrated chip. The DivX Certified VibrattoII MX integrated chip is now in full volume production with many of our customers who are experiencing tremendous consumer demand for their advanced DivX Certified DVD players using our DivX Certified solutions."

"DivX users win again as ESS advances their offerings for DivX Certified DVD players," said Jordan Greenhall, co-founder and chief executive officer of DivXNetworks. "We're excited that ESS continues to bring the power of DivX video to manufacturers and the increasing number of global consumers who want DivX Certified home theatre devices."

The DivX Certified Program includes a full DivX software development kit to help third parties make their existing solutions compatible with DivX technology, or to help them create new solutions from scratch. The DivX Certified Partner Program was created to enable the development of official DivX-enabled consumer electronics products to meet the global demand for high-quality DivX convergence devices. For more information on DivX Certified Program, visit www.divx.com/certified.

About ESS Technology

ESS Technology, Inc., designs and markets high-performance digital video processor and imaging sensor semiconductors for the consumer digital entertainment, digital photography, cellular phone and digital home markets. ESS products include highly integrated chips for DVD players and recorders, VCD players, digital media players, digital audio systems, digital still cameras and camcorders, and camera-enabled cellular phones.

ESS, headquartered in Fremont, California, has approximately 400 employees in North America and over 100 employees in the Asia providing R&D, sales, and technical support worldwide. For more information, please visit the company's web site at www.esstech.com

About DivXNetworks

DivXNetworks is a consumer-focused video technology company positioned at the center of multimedia convergence. DivXNetworks's core offering is the DivX® video codec, the world's most popular MPEG-4 compatible video compression technology with over 100 million users worldwide. Often called "the MP3 of video," the patent-pending DivX video technology offers DVD-quality at 10 times greater compression than MPEG-2 files, enabling full length films to easily fit on a CD or be delivered over broadband connections. DivX video technology powers a range of applications that span the convergence value chain, from a secure IP-based video-on-demand solution to next-generation consumer electronics products and video software applications. DivXNetworks is headquartered in San Diego, California, with satellite offices in Los Angeles and San Jose California, Taipei Taiwan, and Dortmund Germany. For more information, visit www.divxnetworks.com

The matters discussed in this news release include certain forward-looking statements that involve risks and uncertainties, including, but not limited to, the impact of competitive products and pricing, the timely availability and acceptance of ESS's new products, the possible reduction of consumer spending occasioned by general economic conditions, the dependence on continued growth in demand for consumer multimedia products, the possible reduction of consumer spending occasioned by terrorist activity and armed conflict, and the other risks detailed from time to time in the SEC reports of ESS, including the reports on Form 10-K, Form 10-Q and Form 8-K. Actual results could differ materially from those projected in the forward-looking statements. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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