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FOR IMMEDIATE RELEASE

**OSRAM OPTO SEMICONDUCTORS NAMES TFS AS
EXCLUSIVE U.S. DISPLAY INTEGRATION PARTNER**

TFS Adds OSRAM OLED Modules to Growing Standard Product Line

TEMPE, ARIZ – **October 15, 2003** – Three-Five Systems, Inc. (NYSE: TFS), a global provider of electronic manufacturing services and display solutions, and Osram Opto Semiconductors GmbH, a wholly owned subsidiary of Osram, one of the world's largest lamp manufacturers, today announced that TFS has been named as Osram's exclusive engineering services and OLED marketing partner in the United States. TFS will provide design engineering and electronic manufacturing services to support the integration of Osram's technology into its customers' display products and will add three Osram OLED modules to its offering of standard display products.

Joseph Carr, President & CEO of Osram Opto Semiconductors Inc., said, "We are extremely pleased to have TFS as our exclusive U.S. partner and to be able to give our customers access to their unique design engineering expertise. We look forward to leveraging their experience in marketing LCD technologies to help us further develop a presence in growing arenas for OLED technology such as the automotive, computing, consumer, industrial, and medical markets."

The latest phase of the TFS-Osram partnership expands on the original agreement launched late last year, which covers a spectrum of current OLED display technologies as well as product configurations. Also included in the original agreement are plans to market standard OLED display products manufactured by Osram in a fully qualified ISO environment. As a result, TFS has added three Osram OLED modules to its line of standard display products: 96 x 54, 96 x 64 and 128 x 64 monochrome grayscale displays. TFS will continue to offer full custom OLED modules, as well as its line of standard, semi-custom/glass platform, and full custom LCD displays.

"Expanding our standard product line to include OLED products is a very important part of our business plan," said Jack Saltich, President and CEO of TFS. "There is a growing demand for this exciting new technology, and Osram is an acknowledged expert in the field. A standard OLED product is imperative for our customers who do not want or need to invest in a full custom module. Standard OLED products provide minimized tooling and development costs and reduce the design cycle time for those customers."

Polymer OLED technology uses advanced polymer materials to produce an exceptionally bright, high-contrast, emissive display with a superior viewing angle. Polymer OLED technology delivers these attributes in a low-cost, low profile display that is particularly well-suited for incorporation into handheld devices such as wireless handsets, pocket personal computers and PDAs. Display Search's report, *Alternative Display Technology Report 2002: OLED Technology*, states that OLED revenues are expected to rise from \$85 million in 2002 to \$3.1 billion by 2007. In addition to revenue, OLED units are forecasted to jump from 6.8 million units in 2002 to 180 million in 2007.

Osram was granted a license from Cambridge Display Technology in 2001 to manufacture and sell polymer light emitting displays. Osram currently manufactures OLED displays in evaluation quantities at its Penang, Malaysia facility. OLED displays are currently available in evaluation quantities, and volume production is expected to commence Q4 of 2003. TFS is currently marketing the Osram OLED technology to its customers worldwide.

About TFS

TFS is a recognized leader in providing end-to-end engineering, display solutions, and extended manufacturing services to original equipment manufacturers (OEMs). TFS has a global footprint, with operations in the United States, Europe and several locations in Asia offering engineering and electronic manufacturing services (EMS), with a special emphasis and expertise in display subsystems. TFS offers numerous monochrome and color display products, including, CRT, LCD, and OLED technologies, in custom, standard, and platform configurations. TFS also offers complete end-to-end extended manufacturing solutions, including new product introduction and high-volume printed circuit board assembly, RF module assembly, and box build. TFS' Web site is located at www.tfsc.com.

Three-Five Systems, Inc. and the TFS logo are trademarks or registered trademarks of TFS. All other trademarks are the property of their respective owners.

About Osram Opto Semiconductors

Osram Opto Semiconductors GmbH of Regensburg is a wholly owned subsidiary of Osram, one of the three largest lamp manufacturers in the world. It offers its customers solutions based on semiconductor technology for lighting sensor and visualization applications. The company has sites in Regensburg (Germany), San Jose (USA) and Penang (Malaysia). In the 2002 fiscal year (ending in September), around 3370 employees produced sales of EUR 309 million. Further information: www.osram-os.com

Certain statements contained in this document may be deemed to be forward-looking statements under federal securities laws, and TFS intends that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include, but are not limited to, the expectation of a long-term relationship with Osram, the expectations regarding usage of polymer OLEDs in products, the technical capabilities of polymer OLEDs, the market forecast numbers for OLEDs, and the expectations regarding volume manufacturing. The companies caution that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by the forward-looking statements contained herein. Such factors include, but are not limited to: (a) changes in markets or demand for OLEDs, (b) the failure of OLEDs to deliver acceptable performance and /or price to potential OEM customers, and (c) other risks as identified from time to time in TFS' SEC reports, including Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and Annual Reports on Form 10-K.

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