

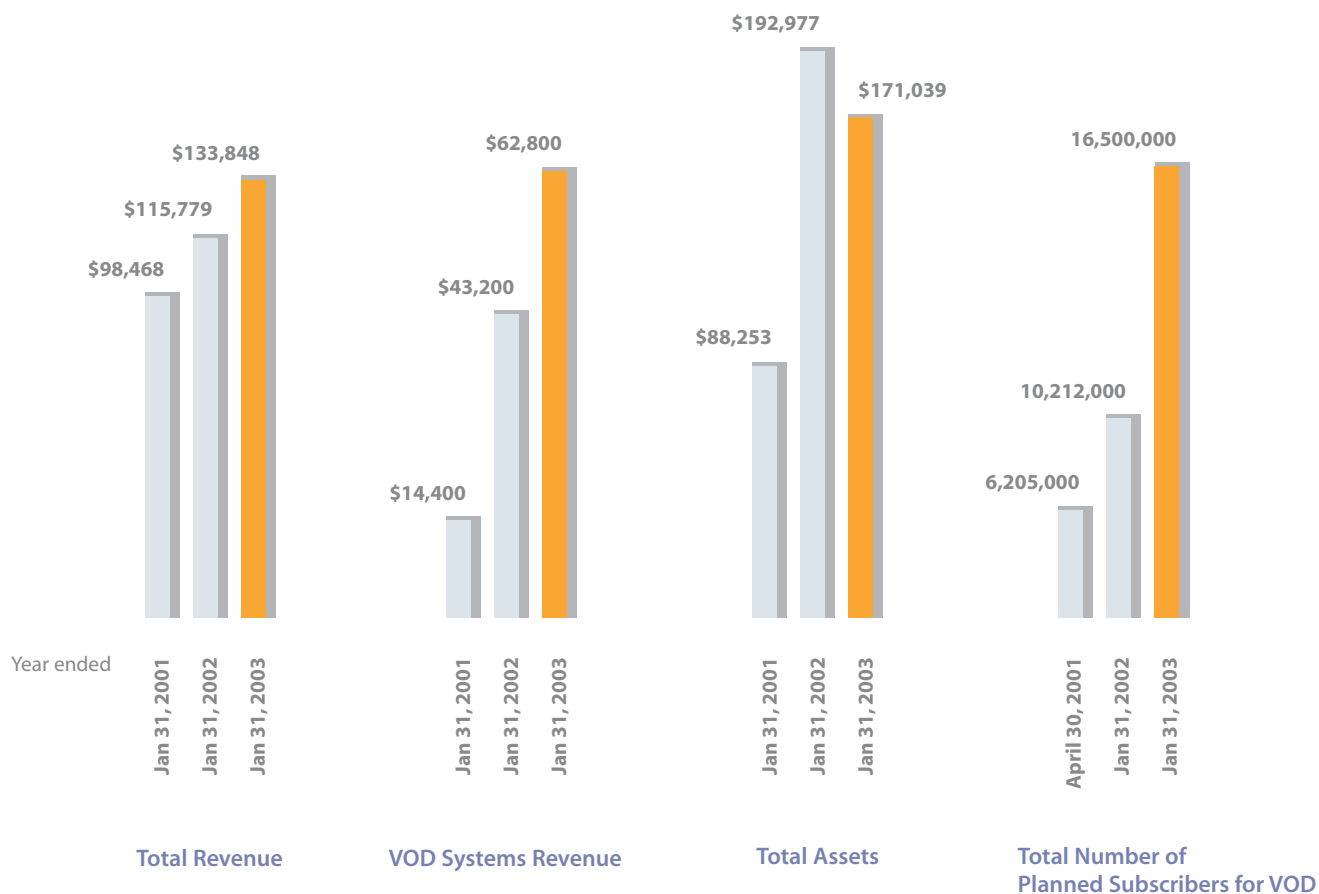
In 2002, "Personal Television" came into its own and SeaChange was at the forefront, delivering the hardware and software applications to enable television operators to provide unprecedented new benefits to viewers.



Empowering Television.

SeaChange International, Inc. is a leader in the market for digital video systems for television. We create powerful server and software systems that manage, store, and distribute professional-quality digital video. Our innovative products are based on a scalable, distributed software architecture and standard technology components. As a result, we enable broadband, broadcast, satellite and new media companies to streamline operations and reduce costs, allowing for expanded services, new applications, and increased revenues.

SeaChange International, Inc. Financial Highlights (all numbers in thousands, except number of subscribers)



President's Letter

Dear Shareholders,

For ten years SeaChange has been driving new advancements in digital video systems. In 1993 we saw the opportunity to bring promising new changes to television and today, I'm proud to say, we're at the forefront of a television revolution.

Our achievements are well known. SeaChange systems are entrusted with over \$3 billion of cable advertising per year. Our broadcast systems are used by hundreds of television stations around the world. Today, eight million cable subscribers are clicking their remotes to watch fare like "The Sopranos," or "Meet the Press," movies, or even pro sports, precisely when they want.

In fact, in Philadelphia Comcast is offering all that and more. The industry knows it as "Phillyvision" and the world's largest cable operator is making deals with programmers to move more and more content onto their SeaChange VOD (Video-on-Demand) Systems. We're working closely with Comcast to streamline the process of content acquisition and to ensure its model can be expanded across the U.S.

In the U.S. and Canada, all of the major cable operators are deploying VOD and eight of the top ten have chosen SeaChange. Each of them is providing a growing array of content and methodically rolling out more systems. VOD is an incredible new service for viewers with compelling business advantages for cable. It promises to attract and retain subscribers and it's a differentiator that satellite competitors cannot yet match.

This fiscal year our VOD revenues jumped 45 percent over the previous year. Our systems were installed in over 80 locations, delivering over 450,000 personal streams of video to viewers on demand. There are 65 million basic subscribers in the U.S. alone, and an additional 15 million television households with access to cable television that could be lured by its vast new potential. It's a multi-billion dollar market opportunity that's just emerging and we have the service, the value, and the performance that will enable SeaChange to continue to be the market leader.

Overall for this fiscal year SeaChange's total revenues increased by 16 percent. Of our three major product lines, VOD now comprises the largest portion of our revenues and stands out for its exciting potential. Our other two product lines are formidable in their own right, yet their strategic contribution to this age of "Personal Television" is just now beginning to be realized. Think about it. As television shifts from its legacy broadcast model to one that is personally interactive, there will be ever greater demands for entertainment and information content to satisfy the appetites of a vast and diversified audience. And digital video systems serve as the means by which Hollywood, television networks, local broadcasters, independent film producers and advertisers get their content from their production facilities to the VOD systems in your city.

Ten years ago we envisioned the flow of video content from disparate sources to widely distributed VOD systems. We call it the "Content Pipeline." Our expertise in massive storage, networking, software applications, and digital advertising are converging to streamline this process and ensure VOD's success. The comprehensive automation of our VOD System reflects this. For example, in Philadelphia as NBC programming is broadcast, our VOD Recording System automatically stores it for viewers to watch at their own convenience, with fast-forward, rewind and pause functions.

At the source of the "Content Pipeline," SeaChange Broadcast MediaCluster systems have been supporting content producers such as MTV, Disney, PBS, and others around the world in their traditional television business applications. Our new Broadcast MediaLibrary systems hold massive amounts of video and provide greater opportunities to access that content. The potential now exists for these content originators to effectively route their programming to VOD Systems automatically – to take advantage of new television opportunities. The synergy of our products was completely envisioned.

Advertisers will also continue to play their traditional role in supporting the business of television, but in new ways that will create greater, more relevant, connections with consumers. Over the next year, our unparalleled advertising expertise will be used to pluck ads from programs and replace them, intelligently, with ones more appropriate for each specific viewer. Eventually, the \$50 billion direct mail market will have nothing over the visual power of television and the facility of broadband to personalize demands for information and entertainment.

As we enter into our second decade, we're ready for new opportunities. Overseas, high-speed networks of various types are capable of providing access to this world of personal television. There are over 600 million television households in Europe and Asia. Although SeaChange systems are already supporting many international television operators, we're just beginning to see their inevitable transition to television on-demand.

Our financial assets are strong, our revenues are growing, and our organization is poised for new challenges. None of our competitors have the focus on television that we do. No other company has the proven success, the formidable software, and the unwavering commitment to our customers that we do. On behalf of everyone at SeaChange, we sincerely appreciate your support and confidence. We look forward to greater success in the years ahead.

Sincerely,



Bill Styslinger
President, CEO and Chairman
SeaChange International



Corporate Information

Board of Directors

Martin R. Hoffmann

Thomas F. Olson, Chief Executive Officer, National Cable Communications, a cable television advertising sales company

William C. Styslinger, III - Chairman of the Board

Carmine Vona - President, Vona Information Systems, Inc., a consulting company

Corporate Officers

Scott Blais - Vice President, Customer Services

William L. Fiedler - Vice President, Finance and Administration, Chief Financial Officer, Treasurer and Secretary

Branko J. Gerovac - Vice President, Research

Ira Goldfarb - Vice President, Worldwide Sales

Bruce E. Mann - Vice President, Network Storage Engineering and President, SeaChange Systems, Inc.

William C. Styslinger, III - Chairman of the Board, President and Chief Executive Officer

HEADQUARTERS

124 Acton Street

Maynard, MA 01754

www.seachangeinternational.com

tel: 1-978-897-0100

fax: 1-978-897-0132

SALES OFFICES

Baltimore, MD

Maynard, MA

St. Louis, MO

Beijing, China

Genoa, Italy

Valbonne, France

Tokyo, Japan

CUSTOMER SUPPORT FACILITIES

Maynard, MA

Singapore

Valbonne, France

Tokyo, Japan

DEVELOPMENT OFFICES

Fort Washington, PA

Greenville, NH

Maynard, MA

STOCKHOLDERS INFORMATION

Requests for information about the Company should be directed to:

Investor Relations

SeaChange International, Inc.

124 Acton Street

Maynard, MA 01754

tel: 1-978-897-0100

fax: 1-978-897-0132

investorrelations@schange.com

STOCK TRADING INFORMATION

SeaChange International's common stock trades on the Nasdaq Stock Market under the symbol SEAC

TRANSFER AGENT AND REGISTRAR

Mellon Investor Services LLC

85 Challenger Road

Overpeck Center

Ridgefield Park, NJ 07660

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP

One Post Office Square

Boston, MA 02109

GENERAL COUNSEL

Testa, Hurwitz & Thibault, LLP

125 High Street

Boston, MA 02110

ANNUAL REPORT ON FORM 10-K

Stockholders may obtain additional financial information about SeaChange International, Inc. from the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission. Copies are available without charge upon request.

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of the Stockholders of SeaChange International, Inc. will be held on or about July 16, 2003 at the offices of Testa, Hurwitz & Thibault, LLP, High Street Tower, 125 High Street, Boston, MA 02110

Worldwide Customers (Partial Listing)

Video-On-Demand Systems (Announced)

Adelphia Communications
Cablemas
Cablevision Systems
Comcast Cable Communications
Guandong Cable Television
Insight Communications
Intercable
Mediacom
RCN
Rogers Cable Systems
Time Warner Cable

Near Video-On-Demand Systems

A2000 (UPC)
Access Media Group
AnYang S.O.
Ara Cable Systems
Aurora Media Technology
BB Cable
Beijing Cable TV
Cable Onda
CableVision Argentina
CableVision
Capital Networks Ltd.
Century Communications
Cogeco
Dalian Cable
Directrix
ExpressVu
Gehua Cable
GloboSat
Halifax Cable
Home Cable
Intercable
Innovative Communications Corp
Jupiter Telecommunications Co. Ltd.
Kunming TV
KyunGI S.O.
Metropolis Intercom
Mountain Cablevision LTD.
Nanjing Cable
NetUno
NTL
Prime Television
Rogers Cable Systems
Shaw Communications
Shin Ho
Sichuan Cable
Singapore Cablevision
Star TV
SuperCable
TeleCable
The Movie Network
Tele Denmark
Telekabel (UPC)
Telekabel Brabant (UPC)
Telewest Communications Group
Television Distributors System
Teluga
TVD Radio Public
Tricom
UPC
Videon Cable TV
Yun'nan Cable

Spot Ad Insertion Systems

ABS – CBN International
Adelphia/Media Partners
Antietam Cable TV
Bell Atlantic Video Services
Black Hills Fiber
Bresnan Communications
Buckeye Cablevision
Cable One
Cable Time
Cablevision
Charter Communications
CNBC
Comcast Cable Communications
COSMOS Cable Vantage
Cox Media
Dakota Cable Communications
East Utilities Commission
EchoStar Communications
Frankfort Plant Board
FrontierVision
Garden State
GTE
Helicon Cable
Horizon Cable
Insight Communications
InterMountain Cable
KTBS
Liberty Media
Love Communications
Massilon Cable
McKibbon Communications
Mid Continent Cable
Mid-Hudson Cable
Millennium Digital Media
National Cable Communications
New York Interconnect
Players Network
Prime Time Cable Ad
RCN
Seren Innovations
SNET
South Florida Interconnect
Time Warner Cable
Willamette Broadband

GuestServe Network Systems

CableVision
Charter Communications
Comcast
Cox Cable Communications/HN
GCI
Time Warner Cable
Time Warner Cable/Oceanic

Broadcast MediaCluster Systems

21 Forum
ABC*
Adachi Cable TV
After Movies
Anheuser Busch
Anne Arundel County Govt.
Antenna TV
ARTE
Ascent Media Network Services
Asia Broadcast Centre
Astra
BCTV
Beijing TV
Beijing Sino-Canada College
BELO*
Benedek Broadcasting
CAST

CANAL +
CBS
CCTV
CH TV
Chongqing TV
City of Lakewood
Clear Channel Communications*
CNBC Asia Pacific
CNBC Europe
Cognacq Jay TV
Colorado Satellite Broadcasting
Comcast Cable Communications
CS-Wowow TV
Dalian TV
Deutsche Telekom
Digital Chosun
Digital Latin America
Diocese of Orange
DMT
Electro Sonic
Electroteks Global Networks (PTE)
ESPN Star Sports
E! Networks
Experience Music Project
Fox*
EuroHITS (UPC)
Fashion TV
Four Media Company
France 3
Fujian South-East TV
Fu Jian TV
Future Television
Gannett Broadcasting*
Guangdong TV
Hefei TV
Hangzhou TV
HBO Latin America
Hispanic TV Network
Home Shopping Network
Hong Kong Cable TV
Hyundai
IPC Television Network Corp.
(Portuguese & Spanish
Broadcasting Station)
Japan Mobile Broadcasting
Jupiter Telecommunications Co., Ltd.
Kakeai Town
KDTV
KOBI
Liaoning TV
Liaoning Education TV
Max Media
MBC Dubai
Media General*
Media One
MediaSet
Megacable
Metropolis Intercom
M-Net
MTV3
MTV
Multithematiques
National Geographic
News Broadcasting Japan
NBC*
Nishiorwari CATV
Northstar Studios
Omnilab
On Media
Oribe Network / Himawari
CATV Group
ORBIT
Pacific Century CyberWorks
Japan Co., Ltd.
Pacific Digital
Paris Premiere
PBS*

Pearson TV
Prime Television
Q Channel
RAI
RCTI
RR Satellite
RTV 38
Rui'an TV
SAT 2000
Senat
Seven Network
Seocho SO
Shandong Television
Shanghai TV Shopping Channel
SIGE
Sky KBS
SkyperfecTV
Sky TV Network
Solar
Sony Pictures Entertainment
Sony Pictures Limited
SPNN
Star TV
Supercanal 13
Super TV (Sony Pictures
Entertainment)
Tangshen TV
Tele+
TeleRadioPace
Teleserenissima
Television New Zealand
Ten Network
TF1
The Movie Network
TNT & Cartoon Network Asia Pacific
Toonami Eisei Tsushin TV
Tokyo Dome
Toyama Cable TV
TPS France
TV Asahi
TV Azteca
TVSN
TV3
UBS
UPC
UPN*
USA Broadcasting
Video Italia
Video Roia
VTM Belgium
WB*
WCMU
WIN Television Network
WSPA
Yomiuri Newspaper
Yun'nan TV
Zeelink

Broadcast Media Library

Ascent Media Network Services
HBO Latin America Group
MTV Italia
PBS

* Including broadcast affiliates

