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***For Immediate release*****Digital Video Systems, Inc. Announces 2001 Year-End Results**

SAN JOSE, Calif. (April 1, 2002) —Digital Video Systems, Inc. (Nasdaq: DVID), a leading manufacturer of DVD loaders and other DVD-based products, today reported its operating results for the year ended December 31, 2001.

Digital Video Systems, Inc. posted consolidated net revenues of \$159,871,000 for the year ended December 31, 2001, compared to \$73,103,000 for the nine months ended December 31, 2000. Consolidated net income for 2001 was \$868,000 or \$0.16 basic net income per share and \$0.14 diluted net income per share, compared to consolidated net income of \$1,148,000 or \$.25 basic net income per share and \$0.21 diluted net income per share for the nine months ended December 31, 2000. The Company changed its fiscal year end from March 31 to December 31 beginning with the year ended December 31, 2000, resulting in a nine month year ended December 31, 2000. While part of the large increase in consolidated net revenue is due to a longer accounting year for 2001, the Company experienced significant revenue growth for the year even after taking the longer year into account.

	Year Ended December 31, 2001	Nine Months Ended December 31, 2000
Net Revenues	\$159,871,000	\$73,103,000
Net income	\$868,000	\$1,148,000
Basic net income per share	\$0.16	\$0.25
Diluted net income per share	\$0.14	\$0.21
Shares used in computing basic net income per share	5,336,948	4,658,358
Shares used in computing diluted net income per share	6,146,016	5,419,362

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About DVS

Digital Video Systems, Inc., established in 1992, specializes in the development and application of digital video technologies. The Company currently develops and markets DVD loaders for DVD video players and DVD-ROM drives for personal computers in the consumer electronics and computer peripherals markets.

DVS is a publicly held company headquartered in San Jose, California, with subsidiaries and branch offices in South Korea and China.

*Any statements made in this release that are not historical facts contain forward-looking information that involves risks and uncertainties. Important factors that may cause actual results to differ include, but are not limited to, the impact of competitive products and services, the company's ability to manage growth and acquisitions of technology or businesses, the effect of economic and business conditions, and other risks detailed from time to time in the company's filings with the Securities and Exchange Commission.*