



Digital Video Systems, Inc.

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For Immediate Release

DVS EXECS JOIN BOARD OF KOREAN SUBSIDIARY Sun, Watson, Baker to take leadership roles with DVSK

Annual Shareholder Meeting Introduces New Board Members and Announces DVSK R&D Funding Allocation for MobileTouch Subsidiary

SAN JOSE, Calif. April 4, 2003 - Digital Video Systems, Inc. (DVS/Nasdaq: DVID) today announced the naming of three top executives to the Board of its Korean subsidiary, their roles to become effective immediately.

DVS founder and CTO Dr. Edmund Y. Sun, CEO Douglas T. Watson, and CFO Robert Baker were elected to serve on the Board of Directors of DVS Korea Co. Ltd. during its annual shareholder meeting held on March 27 at the DVSK South Korea headquarters. Oakland attorney Bruce Burke of Burke and Kessler LLP was also elected to the DVSK Board.

"By joining the DVS Korea Board," said Dr. Sun, "we can combine the strong points of the two companies to produce superior future products by combining the MPEG skill of DVS and the DVD loader and manufacturing expertise of DVSK."

DVS Korea holds a commanding external worldwide market share for the manufacture of DVD loaders, the primary component of DVD players. In 2002, the company began trading on the Korean Stock Exchange (KOSDAQ) as DVS. DVS currently owns 51 per cent of DVS Korea.

Dr. Sun, who founded DVS in 1992, was responsible for negotiating the acquisition of the DVD operations of Hyundai Electronics in 1998; its manufacturing equipment and capabilities, DVD patents and related intellectual properties.

Before becoming CEO in 2002, Watson served as a member of the DVS Board and successfully orchestrated the funding which enabled DVS to finance the 1998 Hyundai acquisition, resulting in the establishment of DVS Korea that same year.

Baker rejoined DVS as its present CFO in 2002, having previously served the company as CFO and in various consulting capacities since 1997.

The entrance of Sun, Watson and Baker to the DVS Korea Board signals a stronger partnership between the two companies, cementing the unified vision for R&D efforts underway in the new Mobile Touch Korea and US subsidiaries and solidifying the executive leadership required to propel the DVS and DVS Korea drive toward the development of higher margin products.

A \$500,000 R&D funding allocation to seed MobileTouch Korea growth was also announced at the annual meeting.

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About DVS

Established in 1992, DVS is a publicly held company specializing in the development and application of digital video technologies enabling the convergence of data, digital audio, digital video and high-end graphics. DVS is headquartered in San Jose, California, with subsidiaries and branch offices in South Korea and China

The company's present strategy is to remain a leading solutions provider at the forefront of the DVD industry. In 2003, DVS established MobileTouch Inc., an R&D subsidiary with the mission of expanding digital video technologies into next generation products intended for the wireless and mobile markets.

For additional information from DVS please contact Digital Video Systems, Inc., 1731 Technology Drive, #810, San Jose, CA 95110. Tel: 408.392.0268/Fax:408.436.7810. Investor Relations: Larissa Licea: email:ir@dvsystems.com Readers can also access information through the company's Web site at <http://www.dvsystems.com>

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Any statements made in this release that are not historical facts contain forward-looking information that involves risks and uncertainties. These forward-looking statements include, but are not limited to, statements regarding the successful combination of MPEG skills with DVD loader expertise to produce superior products, the development of higher margin products, expansion of the company's products through the MobileTouch subsidiary, and the successful integration of video and other multimedia products for the mobile market. Important factors that may cause actual results to differ include, but are not limited to, the timely availability of components, sufficiency of working capital, 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.