



Digital Video Systems, Inc.

For Immediate Release

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***Speaking At Roth Capital Conference, DVS Founder
Dr. Edmund Sun and CEO Douglas Watson Discuss Solid Base From
Which to Launch New Digital Video Research Efforts***

SAN JOSE, CA., March 19, 2003 - Digital Video Systems, Inc. (DVS/Nasdaq:DVID) executives Dr. Edmund Y. Sun and Douglas T. Watson spoke to a targeted audience of institutional investors and others attending the 15th annual Roth Capital Partners Growth Stock Conference concluded yesterday in Dana Point, California.

CEO Watson profiled his San Jose-based company's history and manufacturing facilities in Korea and China, pointing to the DVS commanding external market share in the production of DVD loaders, a key component of DVD players. Watson also discussed new developments such as the Mobile Touch, Inc., subsidiary and Jeecom software licensing agreement.

The closely-watched technology firm also has a strong portfolio of DVD and MPEG-related patents which, combined with their loader manufacturing operations, give them a strong financial base from which to launch their innovative research work in digital video compression technologies - research that could enable the convergence of data, high definition DVD video, and wireless digital video.

Dr. Sun, DVS founder and CTO, described the intricate evolution of MPEG compression technology currently under study. Dr. Sun spoke about DVS interest in next-generation MPEG-4 part 10 and h.264 international standards joint group efforts to bring together telecommunications and the newest MPEG-4 AVC (advanced video coding) video compression technologies.

"This soon-to-be-finalized standard will be a quantum jump in compression technology providing 2 to 7 times the compression of MPEG-2 or even MPEG-4 CODECs of a few years ago," said Dr. Sun. "This opens up new possibilities not only in entertainment but in communications and business applications as well."

"The implementation of MPEG-4 AVC/h.264 in hardware - DVS chief area of expertise - could lead to advanced products in the fields of personal video recorders, DVD+RW re-writable drives, and DVD players for automobiles," Watson said. "DVS has an aggressive and fast-track time line to get to the next level of innovative, high-margin products. That can only be possible with energetic, focused, and flexible companies."

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Dr. Sun stated: "With MPEG-4 AVC/h.264 we're looking at 100 per cent speed and/or quality improvement over MPEG-2 or current MPEG-4 technologies. Using this technology it should be possible to put ten to twelve hours of current resolution DVD video on a single DVD disc " ("that's the equivalent of five or six movies," added Watson) "or two hours of next generation HDTV content on a single DVD disc - without having to resort to blue-laser technology."

Dr. Sun pointed out that by using MPEG-4 AVC/h.264 technology streaming high-quality video and audio over wireless devices is also a possibility. "We're looking at something we call 'Wireless Information Kiosks' that will allow high quality video to be transmitted over standard wireless networks such as WiFi or GPRS."

Watson and Sun were joined by CEO Hiroshi Okamoto of Jeecom Inc., a software firm headquartered in Japan. Jeecom's suite of products: MBI (Mobile Business Intelligence), Fusion, Stargate and i-grab products will serve as the software platform for DVS to integrate video and other multimedia products for the mobile market.

The DVS Roth Capital presentation is available as a webcast at the following address:
www.twst.com/econf/mm/roth2/dvid.html

About DVS

Digital Video Systems, Inc. was founded in 1992 to develop, manufacture and market digital video compression and decompression hardware and software for entertainment, commercial and educational applications.

Since its inception, the Company has been involved in the marketing and development of a variety of products and technologies in the digital video arena, such as video CD players, the design of decoder chips, networked video servers that provide near Video-on-Demand, digital Ad-Insertion systems that automatically insert digital video commercials into broadcasting programs, video players for commercial kiosk applications, DVD players under agreements with original equipment manufacturers (OEM's) or under the DVS brand name, and other products for the computer peripheral markets. The Company's current product offerings primarily include DVD loaders, DVD-ROM drives and DVD players.

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Any statements made in this press 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, comments regarding the ability to converge data, high definition DVD video and wireless digital video, the finalization of MPEG4 part 10 and h.264 international standards and their effects on compression technology including the advancement of products, the improvements in speed and quality, and the ability to stream high-quality video and audio over wireless devices. 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.

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