



Digital Video Systems, Inc.

For Immediate Release

**DVS Reorganizes Senior Management;
Spanier to Become CEO and Chairman**

PALO ALTO, Calif., April 1, 2004 -- Digital Video Systems (Nasdaq: [DVID](#) - [News](#)) announces a management reorganization of the Company's worldwide administration.

Thomas A. Spanier has been elected to the Board of Directors and, following the filing of the Company's Form 10-K, will assume the roles of Chairman and CEO. Mr. Spanier's dynamic career spans more than thirty years of planning, financing and directing companies in technology, service, distribution and manufacturing businesses engaged in markets in both government and the private sector. Current CEO Douglas T. Watson will relinquish the CEO designation, but will continue to serve the Company as President and Chief Operating Officer. Doug Watson will be headquartered in Seoul, Korea, and will retain primary operational and oversight responsibility for the Company's activities in Korea and China.

Upon filing of the Company's Form 10-K, Dr. Edmund Sun and Bob Kondamoori will relinquish the positions of DVS Co-Chairmen, but will remain on the Board of Directors. In addition to that, Dr. Sun has been elected Chairman Emeritus and Mr. Kondamoori has been elected Chairman of DVSE, the Company's 100% owned operating subsidiary based in Bangalore India.

Douglas T. Watson, Digital Video Systems' President, commented: "We extend our welcome to Tom Spanier and look forward to working with him. He brings proven leadership skills, with extensive experience in technology based businesses and international operations. Tom will lead us in formulating our business strategy in all four of the countries we operate in, freeing me to devote full time to the Company's operational needs. Tom and I have scheduled a meeting for later this month that will bring senior management from Korea, China and India together in California for the purpose of focusing our global planning and strategy. Our new products are starting to get traction, but we need to improve and accelerate that transition in all the countries in which we operate"

Mr. Spanier's experience as CEO, COO, and CFO, runs the gamut of international marketing and business development, from acquisitions, new business launches, joint ventures and teaming relationships to licensing deals and business sales. He has also served as interim senior management member and consultant for several public and private companies including Cradle Technologies (semiconductors) and California Culinary Academy (culinary education). He received his B.S. degree in Business Administration and

Managerial Economics from UC Berkeley, where he was Phi Beta Kappa and received the Delta Sigma Pi Scholarship Award as top business school graduate. He holds an MBA from Harvard Business School.

"Digital Video Systems has the kind of potential that I look for in accepting an executive assignment," Mr. Spanier commented, "and I am eager to work with its management team on developing strategies to improve the Company's growth and performance."

CFO Robert Baker has announced his retirement, to take effect in April. A CFO search is underway. Doug Watson will act as the interim CFO as needed.

Mr. Watson said: "We appreciate Bob's accomplishments over the past years and wish him the best as he retires. Bob has been a key player for the Company during his six year tenure with the firm."

About Digital Video Systems, Inc.

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 Palo Alto, California, with subsidiaries and manufacturing facilities in South Korea, China and India. Additional information may be obtained at www.dvsystems.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: 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, the anticipated growth of the Company, Mr. Spanier's contribution to such growth and his business building skills. 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, risks attendant to strategic agreements involving other companies, the effect of economic and business conditions, the risks of conducting business in foreign countries and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. Digital Video Systems, Inc. assumes no obligation to update these forward-looking statements, and does not intend to do so.

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