



Digital Video Systems, Inc.

For Immediate Release

DVS Secures Approximately \$600,000 on Exercise of Warrants

PALO ALTO, Calif., April 26, 2004 /PRNewswire-FirstCall/ -- Digital Video Systems (Nasdaq: [DVID - News](#)) announced that it has secured approximately \$600,000 on exercise of outstanding warrants. The warrants for approximately 511,800 shares of common stock were originally issued in the July 2003 financing and were temporarily repriced to \$1.25 per share from the original exercise price of \$2.80 in order to induce the exercise. The Company intends to use the proceeds from the warrant exercise for general corporate purposes. There remain outstanding approximately 800,000 warrants exercisable at \$2.80.

Chairman and CEO Thomas A. Spanier commented, "This will serve to reduce the potential overhang on the public market by over half a million shares."

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, statements regarding the use of proceeds from financing transactions and the strategic direction of DVS. 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, risks attendant to strategic agreements involving other companies, 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. Digital Video Systems, Inc. assumes no obligation to update these forward-looking statements, and does not intend to do so.

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