



Digital Video Systems, Inc.

DVS Announces 1-for-10 Reverse Split of Common Stock

PALO ALTO, Calif., February 9, 2005 -- Digital Video Systems, Inc., or DVS, (Nasdaq: [DVID - News](#)), today announced that it has amended its Amended and Restated Certificate of Incorporation to effect a 1-for-10 reverse split of the outstanding shares of common stock, effective on February 9, 2005. As a result, the number of shares of the Company's common stock outstanding has been adjusted from approximately 12,207,988 to approximately 1,220,799. Additionally, the stock will trade under the symbol "DVIDD" for 20 trading days, reverting to "DVID" on March 10, 2005.

The reverse split is intended to raise the Company's share price above \$1, as required to remain in compliance with Nasdaq's SmallCap listing requirements.

The amendment neither changes the number of authorized common or preferred shares, nor the par value of the common or preferred shares. The amendment does provide that the Company will pay the fair market value of any fractional shares resulting from the reverse stock split.

At the Company's annual meeting of stockholders held on November 18, 2004, a majority of the outstanding shares voted to grant authority to the Company's Board of Directors, in its sole discretion, to implement a reverse stock split in the range of 1-for-2 to 1-for-10 at any time between November 18, 2004 and November 18, 2005.

At a special meeting of the Board of Directors held on January 18, 2005, the Board unanimously voted to implement a reverse stock split in the range of 1-for-7 to 1-for-10 and delegated to the Company's Chief Executive Officer, Thomas A. Spanier, the authority to determine the final reverse stock split ratio within that range. On February 7, 2005, Mr. Spanier set the reverse stock split ratio at 1-for-10.

The record date for this transaction is February 7, 2005, and the Company's common stock will begin trading on a post-reverse stock split basis on February 9, 2005.

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 and China and a subsidiary in 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 Company's ability to maintain its listing status on the Nasdaq SmallCap Market. Digital Video Systems, Inc. assumes no obligation to update these forward-looking statements, and does not intend to do so.

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