



Digital Video Systems, Inc.

DVS RECEIVES NASDAQ STAFF LETTER

PALO ALTO, Calif., April 26/PRNewswire-FirstCall/ -- Digital Video Systems, Inc., or DVS, (Nasdaq: DVID), announced that it received a letter from Nasdaq dated April 19, 2005, stating that the Company was no longer in compliance with the shareholders' equity/market value of listed securities/net income requirement as set forth in Marketplace Rule 4310(c)(2) – Qualification Requirements for Domestic and Canadian Securities. The Staff's letter notified the Company that Nasdaq's Listing Qualifications Panel (the "Panel") will consider this matter in determining whether continued listing on The Nasdaq SmallCap Market is appropriate. No date has been set for the Panel to meet to consider this issue.

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 DVS's continued ability to meet The Nasdaq SmallCap Market listing requirements. Other important factors that may cause actual results to differ include, but are not limited to, financial performance of the Company and the success of future financing efforts, ability to resolve litigation involving the former Chief Executive Officer, 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.

For further information please contact Larissa Licea, Digital Video Systems, Inc., 650-322-8108, ext. 106, or Sean Collins of CCG, 818-789-0100, for Digital Video Systems, Inc.

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