



Digital Video Systems, Inc.

For Immediate Release

Digital Video Systems' Korea Subsidiary Makes First Shipments Under Visteon Purchase Order

PALO ALTO, Calif., July 1 /PRNewswire-FirstCall/ -- Digital Video Systems (Nasdaq: [DVID - News](#)) announced that its subsidiary in South Korea has shipped automotive DVD players to Visteon Corporation (NYSE: [VC - News](#)), under the purchase contract announced in January. Visteon is a leading automotive supplier with annual revenues in excess of \$17 billion.

Visteon is purchasing a versatile portable DVD player that DVS has designed to fit into Visteon's docking station for use in vehicles. The Visteon system is marketed nationally in the United States under the trade name of "Dockable Family Entertainment System(TM)." The player blends into a vehicle's interior and can move easily from in-vehicle use to laptop or in-home use. The DVS designed automotive grade portable DVD player weighs only 2.5 lbs, gives consumers a large 10-inch viewing screen, remote control, and infrared headphones. Visteon's docking unit and the compatible, portable DVD player are designed as a modular unit. The player simply locks into the nearly flush mounted docking unit. Front seat occupants have the opportunity to listen to the radio or CD of their choice, while rear seat passengers enjoy video and other entertainment.

When docked, the player uses the vehicle's power supply and audio system to operate and charge its batteries. The unit can be removed and will play for approximately three hours on its battery power. Because the system is modular consumers can install docking units in several vehicles so that one player can be easily transferred from one vehicle to another.

The system package includes accessories like infrared headphones and a remote control. Optional equipment includes a carrying case, battery charger/AC adapter and even a bass booster for enhanced sound. The portability of Visteon's aftermarket system adds a measure of security and accessibility at home or on the road.

Visteon's Dockable Family Entertainment System is a low profile, clamshell, laptop-type configuration that plays DVDs, CDs, and CDs containing MP3 and WMA (Windows Media Audio) files. Auxiliary jacks on the player accept input from other devices, such as game units or camcorders.

The Visteon Dockable Family Entertainment System is currently available through car dealers and selected independent automotive accessory distributors.

DVS Chairman and CEO Thomas A. Spanier commented, "We are excited that we have reached the purchase order stage and made initial deliveries on this proprietary product. We won this contract in head-to-head competition against top Japanese and Korean name brands, with our rapid engineering turnaround, high quality and competitive pricing. This product incorporates our proprietary technologies in vibration and shock resistance and temperature range tolerance, as well as the ISO/TS 16949:2002 certification that our quality management system has earned.

(more)

The new Dockable Family Entertainment System(TM) is the 'latest and greatest' of several automotive products which DVS is now shipping. Anybody planning a long car vacation with their kids this summer ought to think twice about pulling out of the driveway without a DVS designed Visteon product in the family SUV or van."

About Visteon Corporation

Visteon Corporation is a leading full-service supplier that delivers consumer-driven technology solutions to automotive manufacturers worldwide and through multiple channels within the global automotive aftermarket. Visteon has approximately 72,000 employees and a global delivery system of more than 200 technical, manufacturing, sales and service facilities located in 25 countries. For more information about Visteon, visit the company's web site at www.visteon.com.

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 DVS's products and their features, development efforts and strategic relationships with other companies. 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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