



DVS Digital Video Systems, Inc.

For Immediate Release

**DIGITAL VIDEO SYSTEMS LAUNCHES DVS ELECTRONICS
New Indian Subsidiary To Market Premium DVD Products**

PALO ALTO, Calif., Nov. 11, 2003 -- Digital Video Systems Inc., (DVS: NASDAQ DVID), a global leader in the DVD component technologies industry, today announced the official launch of its wholly-owned Indian subsidiary, DVS Electronics Pvt. Ltd. (DVSE), along with a range of premium DVD products for both home and mobile entertainment markets. Available for the first time in India, these products will be marketed and supported under the DVS brand.

The initial product offerings in India are scheduled to include portable, car, and recordable DVD players as well as home DVD players and Theater Systems. Initially, the products will be available in the southern region of India, followed by a phased nationwide introduction over the next several months. DVS expects to use DVSE as a platform to produce and market a host of digital entertainment products and services for global markets.

Mr. Robert Kondamoori, Co-Chairman of DVS and Chairman of DVSE, said, "DVS's move into the Indian market signifies an expansion that is intended to further position the company as a world class R&D, product design and manufacturing powerhouse. The establishment of DVSE and the maiden launch of DVS branded products in India is a testament to our belief in the potential of both the Indian domestic market and the utilization of India as a platform for reaching out globally."

DVSE is currently establishing a world class manufacturing capability in India, and DVS expects that this facility will serve both the Indian domestic as well as export markets for end consumer and component products. DVSE also plans to establish an R&D and product engineering capability in Bangalore that will develop products and services for the global market.

Dr. Edmund Sun, DVS Co-Chairman & CTO and a recipient of the lifetime achievement award from the DVD Forum said, "DVS has consistently been the high quality innovator in the DVD category and can leverage its established technology base to develop and manufacture end-consumer products for both the Indian and export markets. Bangalore, being the Indian IT hub, will be able to provide the necessary support and resources for us to achieve this objective."

Commenting on the launch in Bangalore, Mr. Lalit Ahuja, Managing Director, DVSE said, "We are entering the Indian market at a time when DVD player penetration and consumer awareness in India has just begun to accelerate. India presents an excellent opportunity for DVSE to capture market and mind share and build a sustainable brand and platform. DVSE will utilize a host of innovative channels to distribute and support its products."

About Digital Video Systems, Inc.

DVS, headquartered in Palo Alto, CA, is a technology company specializing in the development and application of digital video technologies that enable the convergence of data, digital audio, digital video and high-end graphics. Founded by Dr. Edmund Sun in 1992, and with manufacturing and R&D subsidiaries in China, South Korea, and now India, DVS is a world leader in the manufacture of DVD loaders, the key component in today's DVD players, and has been involved in the development and marketing of a variety of products and technologies in the digital video arena.

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 strategic opportunities of DVS and DVSE in India, expected product offerings, engineering and manufacturing capabilities, the potential growth of the DVD market in India and worldwide, and the Company's expected market and leadership position in India. Important factors that may cause actual results to differ include, but are not limited to, demand for the Company's products in India, the timely availability of components, the sufficiency of working capital, the risks inherent in conducting business in India, the impact of competitive products and services, the company's ability to manage growth and acquisitions of technology or businesses, 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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