



**Digital Video Systems, Inc.**

**Media Contact:** Anne Coffelt  
E-Mail: [compassrose@vom.com](mailto:compassrose@vom.com)  
Tel: 707.939.9410

***For Immediate Release***

## ***Digital Video Systems Inc. Reveals Details of New DVS Korea Products/Prototypes***

SAN JOSE, Calif. April 11, 2003 - In a shift into higher margin DVD products, Digital Video Systems, Inc. (DVS/Nasdaq: DVID) today announced details of new prototype car DVD loaders and DVD+R/RW recordables intended for production by DVS Korea (DVSK/Kosdaq:DVS), a world leader in the manufacture of DVD loaders - the key component in DVD players - and loaders for the emerging DVD recordable market. These prototypes were introduced at the recent DVSK annual shareholder meeting held at the company's headquarters in South Korea.

According to CEO Doug Watson of DVS, "With mounting competition in the DVD loader market and the decline in end-user prices for DVD players, DVS and our subsidiary DVSK are launching a campaign of product diversification, research and development, and expansion into new areas. DVS Korea will continue in its role as the hardware R&D and manufacturing arm of the company, bolstered by a major new contract with a leading electronics firm for 400,000 loaders to be installed in combination VHS/DVDplayers."

### ***New Car DVD Loaders***

The new car loaders are targeted at the factory-installed equipment market and will address the high, medium, and low-end price points. DVS has an advantage over competitors because of its unique anti-skipping features. DVSK is also developing a separately branded car DVD player to address the retail after market. All units will be available with or without digital displays.

### ***DVD+R/RW***

Watson continued, " I was excited to see the progress made by our engineers in developing this product intended for the PC market that would enable users to record data, video, and audio to DVD-RW discs." DVS is working with outside parties to develop these products into stand-alone consumer products. Other products under development include a multi-function combo-device that would include a DVD player/DVD recorder and hard disk recorder targeted at the emerging television time-shifting device market.

### ***About DVS***

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 San Jose, California, with subsidiaries and branch offices in South Korea and China.

For additional information from DVS please contact Digital Video Systems, Inc.,  
1731 Technology Drive, #810, San Jose, CA 95110. Tel: 408.392.0268/Fax:408.436.7810.  
Investor Relations: Larissa Licea: email:ir@dvsystems.com - Tel: 408.392.0268 Ext. 106  
Cell: 408.712.4165/ Fax:408.436.7810.

*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 product diversification and development and expansion into new areas. 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, 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.*

###