



Digital Video Systems, Inc.

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For Immediate Release

Digital Video Systems, Inc. Hires Top Chip Expert; Jack Benkual will act as Principal Engineer

SAN JOSE, Calif. April 22, 2003 - To expedite its recently posted plan to include high definition DVD players in its DVD technology, Digital Video Systems, Inc. (DVS/Nasdaq: DVID) CEO Douglas T. Watson announced today they have hired Jack Benkual as Principal Engineer.

A veteran of the VLSI chip industry, Benkual will be based in the company's San Jose headquarters.

Watson commented: "We're very glad to welcome Jack Benkual to DVS; he brings us more than 25 years' experience in specialized processor design for video, graphics and networking applications that have yielded numerous successful products. His extensive experience in VLSI chip design is essential in the implementation of optimized solutions for high volume, complex applications, like high definition video decoders."

Benkual has worked previously with such leading technology firms as Apple, Sun Microsystems, Fast Chip and Racer. Of his assignments for DVS, he said:

"I will be primarily responsible for the hardware architecture definition and ASIC design of a high performance and low cost multimedia processor for the new generation of high definition DVD players." Benkual explained. "The definition of the new MPEG-4 AVC standard with significantly better compression ratios and higher quality presents unique opportunities for DVS with a product portfolio targeted for high definition DVD players, kiosk units, smart phones and PDA's."

"We have a talented engineering team that is geared towards building products based on this challenging technology," Benkual added.

Watson said: "I feel that DVS is now poised to get a real jump on the competition since we are moving into more diversified product lines with the expertise of our engineering team in place to build high performance, leading edge products."

MPEG-4 AVC and HDTV

Since HDTV signals require nearly 10-times the amount of storage space over current video it is presently impossible to store a two-hour HDTV movie on today's DVD disc. Three competing groups are trying to solve the problem of how to put HDTV-quality video on DVD discs. Of the three competing HDTV disc formats being forwarded, Hollywood is looking to improved software compression solutions such as MPEG-4 AVC as the preferred solution to encoding large amounts of ultra-high quality video on existing industry standard discs since the two other alternative solutions would require more advanced hardware technologies.

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. The company's present strategy is to remain a leading solutions provider at the forefront of the DVD industry.

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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 a move into more diversified product lines and the development of high performance, leading edge products including high definition DVD players, kiosk units, smart phones and PDA's, the successful combination of MPEG skills with DVD loader expertise to produce superior products, the development of higher margin products. 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.

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