



**Digital Video Systems, Inc.**

*Media Contact: Anne Coffelt*  
E-Mail: [compassrose@vom.com](mailto:compassrose@vom.com)  
Telephone: 707.939.9410  
*Investor Relations: Larissa Licea*  
E-Mail: [ir@dvsystems.com](mailto:ir@dvsystems.com)  
Telephone: 408.712.4165

***For Immediate Release***

## **DIGITAL VIDEO SYSTEMS INC. NAMES JAMES MUNRO PROJECT MANAGER OF MOBILE TOUCH UNIT**

### ***Dr. Fang Shi Recruited as Senior Engineer for US Efforts in Multinational R&D Team Led by Dr. Edmund Y. Sun***

SAN JOSE, Calif. February 19, 2003 - Digital Video Systems, Inc. (DVS/Nasdaq: DVID) today named two top engineers, James A. Munro and Dr. Fang Shi, to join the company's recently-announced Mobile Touch subsidiary, a new R&D unit led by DVD pioneer Dr. Edmund Sun.

DVS CEO Douglas T. Watson said that Munro will act as project manager for new products to be developed by the Mobile Touch unit, while Dr. Shi will occupy a senior engineer position. Munro will head up US work in collaboration with Dr. Sun, DVS founder and Chief Technology Officer. Sun, who has played a pivotal role in the Digital Versatile Disc (DVD) advances of the last decade, currently directs the joint R&D efforts taking place in the US, Ireland, Taiwan, Japan and in Korea with DVS subsidiary, DVS Korea.

"Our Mobile Touch team will be greatly enhanced with the addition of engineering talents and project development expertise possessed by Jim Munro and Fang Shi," Watson said. "Munro has over 20 years experience in R&D management and direction of development and introduction of high tech products in a wide variety of fields ranging from high-end computer systems to consumer Video CD and DVD players, and is an expert in advanced video compression."

Emphatically stating his enthusiasm for the new Mobile Touch unit, Munro explained how his expertise will augment the team. "My role," he said, "will be to manage our group efforts and work on the implementation of the MPEG4 part 10 standard to the DVS product line.

"With a Ph.D. in Physics and an M.S. in Computer Science, Dr. Shi is an expert in video compression (MPEG), processing and system techniques," stated Munro. "Digital video technology is entering a bold new future with the soon-to-be-finalized MPEG4 part 10 standard. This standard offers a dramatic increase in video compression efficiency, enabling in real-time, video transmission over low bandwidth 2.5G mobile networks." Munro added, "Shi will be our lead engineer in taking this new technology into the wireless product market."

(more)

“MPEG4 part 10 technology is cutting-edge and very hot right now,” Shi explained, “with a 100% better compression ratio than that of the existing MPEG standard. DVS and Dr. Sun have a respected history and track record in developing and manufacturing new products for consumer markets. This history, combined with the technological expertise in our current Mobile Touch team, offers exciting new possibilities for next generation products and technologies geared to the mobile wireless market,” Shi concluded.

Expectations are that the Mobile Touch division and the recent DVS licensing agreement with the mobile enterprise software firm, Jeecom, will significantly contribute to the company’s plan of expansion of its current DV products to new technologies geared to employing these new MPEG4 part 10 standards.

**ABOUT DVS**

Established in 1992, Digital Video Systems, Inc. is a publicly-held company headquartered in San Jose, California, with subsidiaries and branch offices in South Korea and China. DVS specializes in the development and application of digital video technologies and is currently developing and marketing DVD loaders for DVD video players and DVD-ROM drives for personal computers in the consumer electronics and computer peripherals markets. This past year, DVS was ranked Number 335 on the 2002 Deloitte & Touche Technology Fast 500, a ranking of the fastest growing technology companies in North America.

*Any statements made in this press 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, comments regarding, the release of the MPEG4 part 10 standard and the expansion of the company’s products through the Mobile Touch subsidiary and the Jeecom Asia Inc. licensing agreement. 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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