

Contact:

Grant Jasmin
Digital Video Systems
408-392-0268
ir@dvsystems.com

For Immediate release**Digital Video Systems, Inc. Announces Successful Stockholder Vote**

SAN JOSE, Calif. (June 3, 2002) —Digital Video Systems, Inc. (Nasdaq: DVID), a leading manufacturer of DVD loaders and other DVD-based products, today reported that stockholders voted to pass all of the five proposals presented to them at the DVS 2002 Annual Meeting of Stockholders held on May 24, 2002.

A seven member Board of Directors was elected, which includes only three of the eight members elected at last year's annual meeting. The three returning members are **Dr. Edmund Sun, Ande Abbott** and **Douglas Watson**. The four other members elected are **Cary Fitchey**, an investment banker who previously served as a director of DVS from October 1998 to June 1999 and who holds an MBA from the University of Michigan and a BSIM from Purdue University, **John Fuller**, an aerospace executive with decades of experience in international marketing and operations who holds an MBA from the Harvard Business School, **I.B. Jeon**, Executive Vice President and a director of Hynix Semiconductor, Inc., a multinational semiconductor manufacturer headquartered in Seoul, Korea, who holds an MBA and BS from Seoul National University, and **Grant Jasmin**, an executive with over 20 years of experience in Silicon Valley who holds a JD from the University of California (Hastings), and an MBA from Santa Clara University.

Management is excited about the depth and breadth of experience the new team will bring to the DVS Board of Directors. Management believes this injection of "New Blood" will compliment the experience of the veteran directors and will energize the Company in the next year.

At the meeting, the stockholders also voted in favor of a proposal to amend the Company's

more —

Certificate of Incorporation to reduce the number of shares of common stock authorized. This should result in significant tax savings next year. The stockholders also approved the DVS 2002 Stock Option Plan as well as the DVS 2002 Director Option Plan. Burr, Pilger & Mayer, LLP was appointed as independent auditor for DVS for the fiscal year ending December 31, 2002.

About DVS

Digital Video Systems, Inc., established in 1992, specializes in the development and application of digital video technologies. The Company currently develops and markets DVD loaders for DVD video players and DVD-ROM drives for personal computers in the consumer electronics and computer peripherals markets.

DVS is a publicly held company headquartered in San Jose, California, with subsidiaries and branch offices in South Korea and China.

Any statements made in this release that are not historical facts contain forward-looking information that involves risks and uncertainties. Important factors that may cause actual results to differ include, but are not limited to, 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.