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**DVS Produced and Shipped One Million Units in August 2002****San Jose, Calif., -- September 12, 2002 -- Digital Video Systems, Inc. (NASDAQ: DVID)**

today announced that shipments of its DVD Loaders for digital video applications have achieved a significant milestone of one million units produced and shipped in the month of August, 2002. DVS has experienced a steady growth and has anticipated this growth with around-the-clock production. With this increased demand for DVS loaders, the company holds a significant share in the industry's market place.

**About DVS**

Digital Video Systems, Inc. based in San Jose, California, has developed technologies for digital video applications such as ad-insertion systems, network video (NVOD) servers, video CD players, and commercial video kiosks. DVS has the ownership of, and/or the worldwide exclusive rights to, more than one hundred patents and patent applications relating to Digital Versatile Disc (DVD) 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. DVS may be contacted at [www.dvsystems.com](http://www.dvsystems.com) or at 408.392.0268.

**SAFE HARBOR STATEMENT**

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this release which are not historical facts are forward-looking and involve risks and uncertainties, including, but not limited to, competitive products and pricing, management of inventory levels by the company and its competitors, increased investment to support product introductions as well as currency fluctuations. DVS's actual results may differ materially from those described in the forward-looking statements due to a number of factors, including, but not limited to, risks of competition, the enforceability of DVS's patents and other intellectual property rights, risks relating to the development and market acceptance of DVS's products, risks relating to joint development projects, risks of conducting business in foreign countries and risks of limited capital after substantial losses in prior years. Other risks and uncertainties include changes in competitive behavior or market forces, changes in the legal or regulatory environment, changes or lack of changes in consumer preferences over time, technological challenges and an inability to forecast future technological developments and products. Further information on risk factors that could affect results is detailed in DVS's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the twelve months ended December 31, 2001 and its Form 10-Q for the quarter ended June 30, 2002, including without limitation information under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".