

## Financial statements of Kudelski SA

### Income statements and proposal for appropriation of available earnings for the year 2005

#### Income statements for the years ended December 31 2005 and 2004

in CHF'000	Notes	2005	2004
Financial income	(4.1)	68 341	7 226
Administrative and other expenses	(4.2)	-5 930	-5 193
Financial expenses and exchange result	(4.3)	-566	-875
Impairment of financial fixed assets	(4.4)	-26 582	2 828
Loss on sale of investments	(4.5)	-	-3 217
Depreciation and amortization		-36	-21
<b>Income before tax</b>		<b>35 227</b>	<b>748</b>
Income tax		-45	-25
<b>Net income</b>		<b>35 182</b>	<b>723</b>

#### Proposal for appropriation of available earnings for the year 2005

in CHF'000	2005
Balance brought forward from previous year	152 267
Net income	35 182
<b>Total available earnings</b>	<b>187 449</b>
Proposal of the Board of Directors:	
Dividend:	
– bearer shares:	
CHF 0.30 on 47 032 759* bearer share	14 110
– registered shares:	
CHF 0.03 on 46 300 000 registered shares	1 389
General reserve allocation	2 341
Balance to be carried forward	169 609
<b>Total available earnings</b>	<b>187 449</b>

\* This figure represents the number of bearer shares which are dividend bearing as of December 31, 2005. It may fluctuate due to the exercise of option and conversion rights between December 31, 2005 and the ordinary General meeting date.