

PRESS RELEASE

THE KUDELSKI GROUP CONQUERS THE CABLE MARKET IN BRAZIL

Cheseaux, May 12th, 2004 – The Kudelski Group achieves a spectacular breakthrough on the digital cable market in Brazil by supplying its digital conditional access technology to the two principal cable network operators in Brazil, Net Serviços (Globo) and TVA (Abril).

The choice of NagraVision's solutions by Brazil's two principal cable network operators represents a decisive step in the development of the Kudelski Group's presence on the South American continent, and more specifically in the market that has the highest potential in the region.

The operator Net Serviços, a Globo Group company, has today 1.3 million subscribers and over 6.5 million homes passed throughout 44 cities including São Paulo, Rio de Janeiro, Belo Horizonte and Porto Alegre.

TVA, of the Abril Group, is the first pay TV operator in Brazil with 300'000 TV subscribers and 20'000 broadband Internet subscribers.

The deployment of the NagraVision systems is planned to take place during 2004. It goes well beyond the delivery of a conditional access system as it will also include system integration services, the delivery of the Livewire (a Kudelski Group company) software decoder solutions as well as interactive applications.

These developments show that the Brazilian television market is taking another step forward, with the migration to digital of its cable systems starting off strongly.

The Kudelski Group is already present in the Brazilian market with systems deployed for three MMDS operators. The Group is the only conditional access supplier who has an experience on the MMDS market in Brazil.

Thanks to the new contracts announced today, the Kudelski Group becomes the reference in the digital cable market in Brazil. Through this achievement, the Group significantly strengthens its presence in the markets with high development potential such as China, India, Indonesia and Brazil. This situation should accelerate the Group's growth over the next few years.

In addition, StarHub, Singapore's cable network operator, will be launching its new digital services at the end of May, using NagraVision's conditional access technology and interactive applications as well as Lysis' content management system. StarHub is the fifth operator in Asia to have adopted the Lysis content management solution.

For more information on the Brazil contracts, please refer to the attached press releases.

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