PRESS RELEASE

Cheseaux, July 16th, 2002 – The publication of a report by Goldman Sachs on the Kudelski Group on July 15th, 2002 may have created some misunderstanding and generated unfounded rumours within the market. In order to clarify matters, the Kudelski Group would like to restate its position with respect to its basis of accounting.

To date, the Kudelski Group presents its results in accordance with generally accepted accounting principles in Switzerland – ("the Swiss GAAP ARR norms") - which require a true and fair presentation of the Group's financial position and the results of its operations and its cash flows.

Further, the author of the Goldmann Sachs report himself acknowledges that the accounting principles that he questions fully comply with Swiss GAAP ARR that differ from International Accounting Standards ("IAS").

All the elements which were used to determine the cash flow are fully disclosed in the Groups' financial statements, namely details relating to the acquisition of affiliated companies, creation and use of the provisions as well as the treatment of the loan granted to a client. All these elements are therefore presented within the Group's annual financial statements in a transparent manner and in no way were concealed by the Group.

The differences in accounting treatment between that prescribed by Swiss GAAP ARR and IAS relating to goodwill arising upon acquisitions is fully disclosed within the Group's annual financial statements. The accounting policy adopted by the Group is to write-off goodwill against equity in accordance with Swiss GAAP ARR.

Notwithstanding the differences that would arise upon the adoption of an alternative accounting framework (i.e. IAS), all the elements allegedly "discovered" by the Goldman Sachs analyst (such as the loan to a client) were clearly disclosed by the Kudelski Group upon releasing its 2001 results.

Following this episode, the Kudelski Group can only deplore that some reports on companies are published without prior verification or discussion, creating a risk of confusion and resulting in a misinterpretation - willingly or unwillingly. Inevitably, proceeding this way may lead to significant mistakes, the consequences of which are always unfortunate both for the company and for its shareholders, particularly in the present investment climate.

For more information, please call Mr. André Kudelski's assistant, Delphine Breitler, on +41 21 732-0103.