KUDELSKI GROUP ACQUIRES MILESTONE SYSTEMS

CHESEAUX-SUR-LAUSANNE, SWITZERLAND – PHOENIX (AZ), USA: May 3, 2016 The Kudelski Group (SIX:KUD.S) announced today the acquisition of Milestone Systems, Inc., a leading provider of cyber and network security solutions. The move expands the Kudelski Group's focus on cybersecurity solutions and provides a springboard for further growth.

With over 3500 employees and operations in 32 countries, the Kudelski Group already has deep expertise in delivering digital security and conditional access solutions globally, as well as providing cybersecurity products and services for large enterprise and public sector organizations in Switzerland.

Building on a long history of developing digital security products and services, the Kudelski Group launched Kudelski Security in 2012 to focus on cybersecurity solutions for the European market. Last month the Kudelski Group expanded this strategic focus through a strategic partnership with Kryptus to extend cybersecurity offerings and innovation in the LATAM market. The acquisition of Milestone Systems now extends the Kudelski Group's focus and capabilities to the US market and is a significant step toward becoming a global provider of cybersecurity solutions.

André Kudelski, Chairman and CEO, Kudelski Group said: "The acquisition of Milestone Systems further strengthens the Group's footprint in the US market and represents a key step forward in the execution of our growth strategy in cybersecurity."

This acquisition adds specific domain expertise, technology partnerships, and strong services capability to support the Kudelski Group's increased global focus on cybersecurity. The transaction also provides a platform for continued new organic growth and enhances the company's ability to deliver robust solutions and new innovation for customers around the world.

Milestone Systems is widely recognized for its strong commitment to clients as well as its deep expertise in network security and complex infrastructure solutions. The company has an enviable list of Fortune 500 clients and is regularly named as a top solution partner for leading cybersecurity technology companies, including F5, Palo Alto Networks, Juniper and Check Point.

Rich Fennessy, Group SVP – Cybersecurity Services and Technologies, and CEO of Kudelski Security, said: "In a market where customer needs and security strategies continuously evolve, we look forward to working alongside the valued employees, customers, and partners of Milestone Systems to help solve today's most complex cybersecurity challenges."

Michael Kohler, Founder & CEO of Milestone Systems, said: "The Kudelski Group provides an impressive collection of services and a rich history of innovation. The Milestone Systems team looks forward to working closely with our new international colleagues to accelerate the historical growth we have enjoyed across our business."

Further information relative to the Kudelski Group's global cybersecurity strategy will be announced during the Black Hat cybersecurity conference, held August 3-4 in Las Vegas, Nevada.

About the Kudelski Group

The Kudelski Group (SIX: KUD.S) is a world leader in digital security and convergent media solutions for the delivery of digital and interactive content. Its technologies are used in a wide range of services and applications requiring access control and rights management to secure the revenue of content owners and service providers for digital television and interactive applications across broadcast, broadband and mobile delivery networks. The Kudelski Group is also a world technology leader in the area of access control and management of people or vehicles to sites and events. The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland. For more information, please visit: www.nagra.com.

About Milestone Systems

Founded in 2000, Milestone Systems, Inc. is headquartered in Minneapolis, Minn. and focused on enterprise network infrastructure and security as well as support services including certified training, project management, consulting, managed services, and 24x7x365 technical support.

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