

## PRESS RELEASE

### **Kudelski Group – generational change**

Cheseaux, June 17, 2005 – The Kudelski Group announces that its founder, Dr. H.C. Stefan Kudelski, will be retiring from the Board of the company at the next Annual General Meeting to be held in May 2006.

Dr. H.C. Stefan Kudelski founded the company in 1951 to market the Nagra, the first portable professional audio recorder. Between 1951 and 1991, Dr. H.C. Stefan Kudelski established the company's worldwide reputation, receiving a number of international distinctions, including several Hollywood Oscars.

The Board will name Dr. H.C. Stefan Kudelski Honorary Chairman of Kudelski SA, at the expiry of its Board membership.

Moreover, the Board will propose 40-year old Mrs. Marguerite Kudelski, PhD in microtechnics at the EPFL at the Annual General Meeting to succeed her father on the Board.

The Kudelski Group further announces that its majority shareholder, the family pool including André and Stefan Kudelski, restructures its holding in the company.

Through this process, the family pool transfers six million bearer shares to two investment entities for the benefit of other members of the Kudelski family.

The Kudelski family pool will remain the long-term majority shareholder of Kudelski SA. Following this restructuring, it will hold 57 % of the company votes. Kudelski SA free float will increase from 72% to over 85% of its bearer shares.

This structural change is part of a succession process. Further to this, the family pool has not reduced its shareholding and voting rights in Kudelski SA.

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