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PRESS RELEASE

KUDELSKI ANNOUNCES RESULT OF TENDER OFFER

October 6, 2005 - Kudelski Financial Services Holding S.C.A. and Kudelski S.A. (the **Companies**) refer to their notice of 21 September 2005 announcing the launch of a tender offer (the **Offer**) with respect to any and all of Kudelski Financial Services Holding S.C.A.'s U.S. \$325,000,000 2.25 per cent. guaranteed convertible unsecured bonds due 2009 issued on 31 January 2002 (the **Existing Bonds**). The Companies hereby announce that holders of U.S.\$149,297,000 in aggregate principal amount of the Existing Bonds (approximately 94.5% of the outstanding Existing Bonds) have tendered their Existing Bonds in the Offer prior to the closing of the Offer at 17:00, Central European Time (**CET**) on October 5, 2005. The Existing Bonds tendered by the holders of the Existing Bonds have all been accepted by the Companies. As a result of the Offer, 8,631 Existing Bonds with an aggregate principal amount of U.S.\$8,631,000 remain outstanding and admitted to trading on the regulated market and listed on the official list of the Luxembourg Stock Exchange. The Companies hereby announce that the Offer expired on 5 October 2005 and that pursuant to the Offer the Companies have accepted for payment U.S.\$149,297,000 in aggregate principal amount of the Existing Bonds.

The price payable for the Existing Bonds was set at U.S.\$1,020 per U.S. \$1,000 principal amount of Existing Bonds together with interest accrued on the Existing Bonds in accordance with their terms on the Settlement Date for the Offer, equal to U.S.\$4.44 per U.S.\$1,000 principal amount of Existing Bonds.

The Offer was made upon the terms and subject to the conditions of a Tender Offer Memorandum dated 21 September 2005 (the **Tender Offer Memorandum**) which set out the full terms and conditions of the Offer. Copies of the Tender Offer Memorandum are available from the Tender Agent and the Dealer Manager at the addresses set out below.

Goldman Sachs International acted as sole Dealer Manager for the Offer.

Enquiries and requests for additional information on the Offer and its result should be directed to:

<p>Kudelski Group 22, route de Genève 1033 Cheseaux Tel. +41 21 732 01 24 Santino Rumasuglia</p>	<p>Goldman Sachs International (Dealer Manager) Peterborough Court 133 Fleet Street London EC4A 2BB Tel. +44 20 7552 2058 Remi Olajoyegbe</p>	<p>The Bank of New York (Principal Tender Agent) One Canada Square Canary Wharf London E14 5AL Tel.: +44 20 7964 5144 Florin Coseraru</p>	<p>The Bank of New York (Luxembourg) S.A. (Luxembourg Tender Agent) Aerogolf Center 1A Hoehenhof L-1736 Senningerberg Luxembourg Tel.: +44 20 7964 5144 Florin Coseraru</p>
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About Kudelski

The Kudelski Group (www.nagra.com) is a world leader in digital security. Its technologies are used in a wide range of applications requiring access control and rights management, whether for securing transfer of information (digital television, broadband Internet, video-on-demand, interactive applications, etc.) or to control and manage access of people or vehicles to sites and events. Kudelski SA, the parent company of the Kudelski Group, is headquartered in Cheseaux-sur-Lausanne, Switzerland. Its bearer shares are listed on the SWX, traded on virt-x, and part of the Swiss Market Index.

Kudelski Financial Services Holding S.C.A. is a partnership limited by shares (société en commandite par actions) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg and registered with the Luxembourg trade and companies register under number B.85.281.