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PRESS RELEASE

KUDELSKI TENDER OFFER ON

OUTSTANDING 2009 CONVERTIBLE BOND ISSUE

September 21, 2005 - As announced on 6 September, 2005, Kudelski Financial Services Holding S.C.A. (the **Issuer**) and Kudelski S.A. (together with the Issuer, the **Companies**) are today inviting holders to tender for cash (the **Offer**) any and all of Kudelski Financial Services Holding S.C.A.'s U.S. \$325,000,000 2.25 per cent. guaranteed convertible unsubordinated bonds due 2009 issued on 31 January 2002, of which U.S. \$157,928,000 principal amount is currently outstanding (the **Convertible Bonds**).

The proceeds of a new convertible issue, the launch of which the Issuer also announced on 6 September 2005, will be partly used to finance the Offer. Details of this convertible issue can be found in a press release dated 6 September, 2005.

The Offer is made upon the terms and subject to the conditions of a Tender Offer Memorandum dated 21 September, 2005 (the **Tender Offer Memorandum**). The Tender Offer Memorandum sets out the full terms 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.

The price payable for the Convertible Bonds shall be U.S.\$1,020 per U.S. \$1,000 principal amount of Convertible Bonds together with interest accrued on the Convertible Bonds in accordance with their terms to the Settlement Date (as defined below) for the Offer, equal to U.S.\$4.44 per U.S.\$1,000 principal amount of Convertible Bonds.

The Offer begins on 21 September, 2005 and, unless extended or terminated by the Companies, expires at 5pm Central European Time (CET) on 5 October, 2005. The Settlement Date for the Offer, unless extended or terminated as aforesaid, shall be 11 October, 2005.

Goldman Sachs International is acting as sole Dealer Manager for the Offer.

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

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

No Offer is being made, directly or indirectly, in or into, the United States, and Convertible Bonds may not be offered for tender from or within the United States.

This press release is only for circulation to persons outside the United Kingdom, persons within the United Kingdom falling within the definition of Investment Professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**)) or within Article 43 of the Order, or other persons to whom it may lawfully be communicated in accordance with the Order.

The Offer is not being made, directly or indirectly, to the public in the Grand Duchy of Luxembourg (**Luxembourg**) and this press release and the Tender Offer Memorandum or any other circular, prospectus, form of application, advertisement or other material relating to the Offer are neither an offer to sell nor a solicitation to purchase the Convertible Bonds in Luxembourg.

The Offer will not directly or indirectly be made in a country or jurisdiction in which such Offer would be illegal, otherwise violate the applicable laws or regulations or which would require the Companies to change the terms or conditions of the Offer in any way, to submit an additional application to or to perform additional actions in relation to any governmental, regulatory or legal authority. It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer must neither be distributed in nor sent to such countries or jurisdictions. Such documents must not be used for the purpose of soliciting to purchase the Convertible Bonds.

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 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.