

PRESS RELEASE

THE KUDELSKI GROUP ANNOUNCES 6 NEW CONTRACTS

Cheseaux, December 17th, 2001 – The Kudelski Group announces several new contracts in digital television :

- ❑ VisAvision has selected the Nagravision conditional access system for the distribution of its "foreign languages" bouquet over the German cable networks. This represents Nagravision's first significant breakthrough into the digital German cable market. Expected mid-term revenues exceed CHF 10 M.
- ❑ Nagravision was selected to supply the digital platform for Teleclub in Switzerland. Teleclub is the principal pay TV operator in Switzerland in terms of number of subscribers and is currently using Nagra+ analog decoders. This new contract represents an important step in the deployment of Nagravision's digital technology in Switzerland.
- ❑ PanAmSat has selected Nagravision for the broadcasting of programs to India's cable networks. The contract currently represents mid-term revenues exceeding US\$ 1.5 M. Furthermore, this model should be reproduced for other larger-scale PanAmSat projects.
- ❑ Antena Hungaria in Budapest (Hungary) has selected Nagravision for its digital TV distribution system to Hungarian cable operators (DTO).
- ❑ Lysis announces the conclusion of a contract related to KDB (Korea) for the delivery of an electronic program guide. It is an interactive system in Korean language deployed with a conditional access system which is external to the Kudelski Group.
- ❑ Additionally, Lysis has won an important deal in the rights management sector. The name of the client will remain confidential for the next few weeks.

Kudelski Group business

For the overall 2001 fiscal year, the Kudelski Group anticipates more than 25% growth in revenues while net profit should be in line with market expectations. The Group has paid particular attention to managing receivables in order to optimize the Group's cash and reduce associated risks. This prudent approach has brought us to postpone some of the short-term revenues deliveries to 2002 but this is limited to low-margin equipments.

The Group has good perspectives for fiscal year 2002, depending on the favorable business evolution of its principal customers. Furthermore, 2002 system sales forecasts are also promising.

The merger between EchoStar and DirecTV, subject to its acceptance by the regulatory authorities, should boost the Kudelski Group's revenues in a decisive manner.

Integration of Lysis and SkiData

The integration of Lysis and Nagravisión has been recently finalized. The integrated structure will be fully operational as of January 1st, 2002 and will provide the Group with a reinforced digital TV sales force and new R&D expertise.

The integration of SkiData, SportAccess and Systems has also been settled. The new integrated structure will be implemented during the first quarter of 2002.

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