

## PRESS RELEASE

Cheseaux, 21st November 2002 – On August 29<sup>th</sup>, 2002, the Kudelski Group announced a substantial downwards review of its total revenues and net profit expectations for 2002. Additionally, in view of the evolution of the digital television market in Europe, the Group simultaneously announced that actions would be taken in order to counter the negative consequences of this situation, improve the efficiency of the Group and protect its development potential in the mid term and in the long term.

The in-depth analysis of the situation has led, since this autumn, to a certain number of decisions being made regarding the structures of the Group in Switzerland and abroad, the rationalization of costs, and the reinforcement of the management. In this framework, the Group plans to reduce its staff by approximately 110 jobs in the short term. The sale by the Kudelski Group of the production activity of its subsidiary Prével (Neuchâtel) should allow to limit the number of job cuts to approximately 80 persons, of which around 60 in the Canton of Vaud (Switzerland).

Job reductions will take place in the activity sectors most affected by the slow-down in the market and for which there are no prospects of improvement in 2003. The reorganization efforts have focused on reinforcing the Group's capacity for technological innovation, improving its ability to best serve its strategic clients and strengthening its development potential in the mid term and in the long term.

According to the current evaluation made by the management, the envisaged rationalization measures, including the job cuts, should allow yearly savings of 22 to 27 million Swiss Francs on operating costs.

Additionally, in the framework of the strengthening of the management, the Kudelski Group announces the appointment of Mr Mauro Saladini – currently partner of McKinsey & Co – to the position of Chief Financial Officer of the Kudelski Group. The arrival of Mr. Saladini in the Group in early 2003 will contribute to enhance the Group's financial management and integrate the strategic objectives.

Mr Nicolas Goetschmann is becoming Chief Financial Officer of Nagravision, the Kudelski Group's principal company. He will also be in charge of the Group's Administration.

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