

GRETAG AKTIENGESELLSCHAFT
Althardstr. 70
8105 REGENSDORF
SWITZERLAND

Tel. 41-1-842 11 11
Telex 825 818
Telefax 41-1-842 21 00

OMNISEC AG
Trockenloostr. 91
8105 REGENSDORF
SWITZERLAND

Tel. 41-1-841 09 19
Telex 827 796
Telefax 41-1-841 03 15

ANNOUNCEMENT TO CUSTOMERS AND AGENTS

GRETAG has decided to restructure its encryption business activity as follows:

- The worldwide commercial business with such endusers as banks and industry will be continued at GRETAG as a main business activity. GRETAG will also continue to deliver encryption equipment to Swiss government agencies.
- The government oriented export business will be transferred to and handled by OMNISEC, a company also domiciled in Regensdorf at the address indicated above.

GRETAG believes that this separation will allow a better concentration to the different needs of the two markets and ultimately benefit the end-user. For you, our valued customers and agents, the changes will have the following effects:

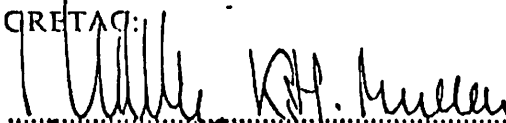
- You will continue to deal with mostly the same staff since some of the key personnel will be transferred to OMNISEC.
- You may continue to order the same equipment and accessories built by the same manufacturing line and with the same high quality standard you are used to. OMNISEC has obtained the right to sell the complete product line for the encryption of voice, text, facsimile and data transmission under its own label.
- All Agency Agreements will be transferred to and continued by OMNISEC.

OMNISEC will start its business activity as of October 1, 1987. From then on, all government oriented export business activities will be handled by OMNISEC exclusively. As of the above date please direct all inquiries you may have to this respect as well as your orders to OMNISEC's address and telephone number.

OMNISEC is an independent company wholly owned by the Swiss High-Tech Group ARGONIUM. Dr. Pierre Schmid has been appointed the Managing Director of OMNISEC. He comes to OMNISEC with 9 years of experience in encryption products. Until 1978 he was the head of GRETAG's encryption R & D Department. For the past 9 years he held a senior position in a leading Swiss company specialised in the telecommunication industry.

GRETAG would like to thank all its customers for the long years of cooperation and trust in its products and services. Now, with OMNISEC assuming all the rights and obligations of the government export business line, it is the hope of both companies that the past relations can be continued and expanded with OMNISEC as your new partner. OMNISEC will develop its worldwide business based on GRETAG's expertise in production, service, and technology, thus ensuring the continuation of this business to the fullest benefit of the customer. OMNISEC will operate from this base of tradition, but with the spirit of a new company dedicated to serve the challenging market needs of the future.

Regensdorf/Switzerland, July 29, 1987:

GRETAG:

.....

OMNISEC:


.....