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PRESS NOTE

Recent and ongoing political unrest in Egypt must be causing some concern to Kernex stake holders. Kernex would like to announce that its contract with Egyptian National Railways (ENR) are on track and second Factory Acceptance Tests in Germany, Delhi and Hyderabad was successfully conducted by ENR officials and goods are being shipped shortly.

To the best of our knowledge, Egyptian National Railways (A Govt. concern) Contract Agreement is protected by Letter of Credits underwritten by National Bank of Egypt (A Govt. Concern) and in India insured by Export Credit Guarantee Corporation of India Limited. The Contract is not likely to be interrupted, except few days of stoppage of work.

For KERNEX MICROSYSTEMS (INDIA) LTD.,

COL LV RAJU (RETD)
MANAGING DIRECTOR