

Corporate governance

Kudelski Group
Annual report 2004

A large satellite dish antenna structure is shown from a low angle, looking up. The dish is composed of many white, rectangular panels. The sky is a clear, light blue. The structure is supported by a green metal frame.

Note concerning corporate governance

This report has been prepared in compliance with the Directive on Information Relating to Corporate Governance issued by the SWX Swiss Exchange, which entered into force on July 1, 2002. Unless otherwise mentioned, the information given in this report reflects the situation as of December 31, 2004.



1/ Group structure and shareholders

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1.1 Group Structure

Kudelski SA is registered in Cheseaux-sur-Lausanne.

The company has been structured as a holding company since 1999. Its shares have been listed on the SWX Swiss Exchange since 2 August 1999 and the company has been part of the SMI (Swiss Market Index) since October 1, 2000.

From an operational point of view, the activities of the Group are divided into two sectors: digital television and public access.

The Kudelski Group is organized and managed as shown on the organization chart on the following page. The shareholdings in the digital television sector are held directly by Kudelski SA, while the principal shareholdings in the public access sector are held by Nagra Public Access AG, which in turn is fully owned by Kudelski SA.

1.1.1 Operational structure of the Group

Please refer to next page.

1.1.2 Listed companies included in the scope of consolidation

Kudelski SA, which is registered in Cheseaux-sur-Lausanne, Switzerland, is a Swiss holding company listed on the SWX Swiss Exchange (val No 001226836/ISIN CH0012268360) with market capitalization at December 31, 2004 of CHF 1 961 656 444. Only Kudelski SA bearer shares are listed on the SWX Swiss Exchange.

With the exception of Kudelski SA, the companies included in the scope of consolidation are not listed.

1.1.3 Unlisted companies included in the scope of consolidation

Please refer to pages 11-13 of the Kudelski Group 2004 Financial Statements.

1.2 Significant shareholders

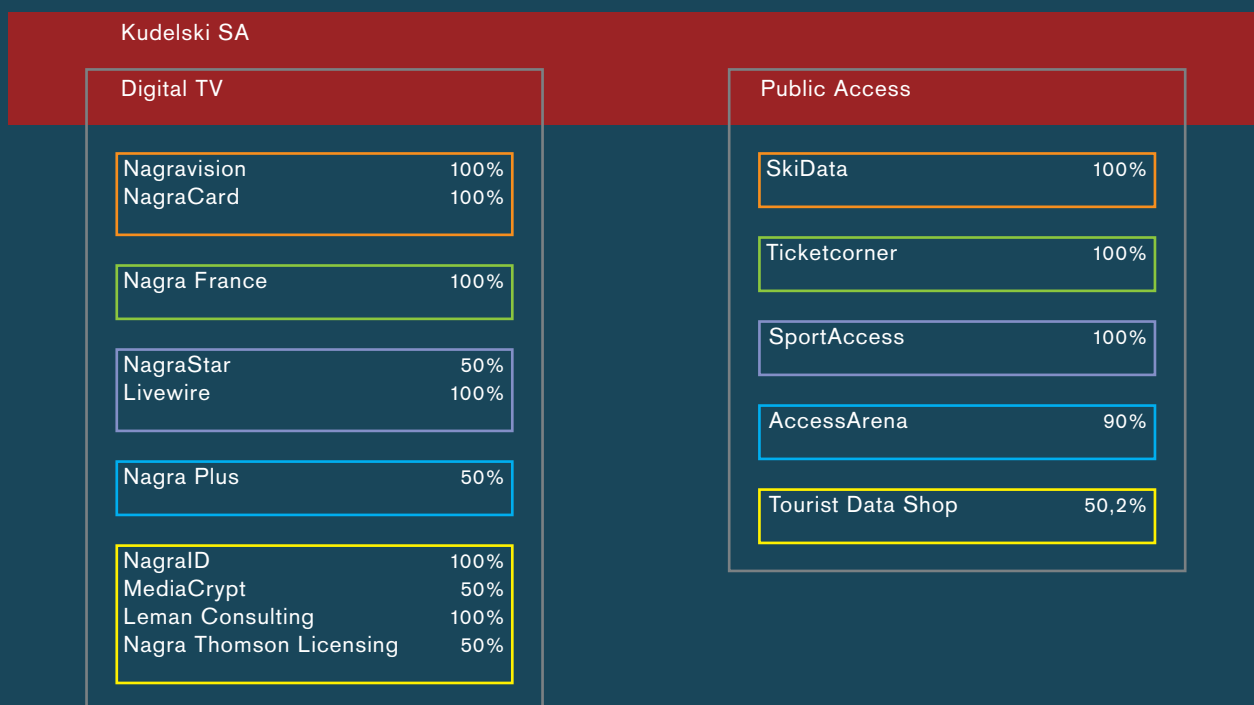
The principal shareholder of Kudelski SA is the Kudelski family. No other shareholder holds more than 5% of the capital and there are no shareholders' agreements.

31.12.04

Kudelski family	
listed bearer shares	12 939 909
unlisted registered shares	46 300 000
Voting rights	63,54%
Share capital held	34,08%

1.3 Cross-shareholdings

There are no cross-shareholdings.



The Nagra Audio activity is an integral part of Nagravision SA. It is under the operational direction of Charles Egli, Executive Vice President.

International presence

		Digital TV	Public Access	Nagra Audio
Europe	Switzerland	■	■ ●	■
	Austria		■	
	Spain	▲		
	France	■	▲	▲
	Germany	▲	▲	
	Italy		▲	
	The Netherlands		▲	
	Sweden		▲	
	United Kingdom, Rep. of Ireland	▲		▲
	Americas	USA	■ ●	●
Brazil		▲		
Asia	Singapore	●		
	China	▲		

■ head office ● regional headquarters ▲ subsidiary / office