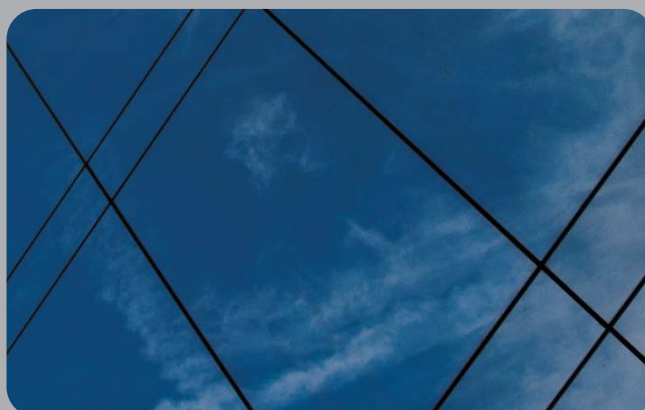




Kudelski Group  
Corporate governance



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, 2005.

The Kudelski Group headquarters in Cheseaux-sur-Lausanne:  
a balance of tradition, innovation and modernity, with transparency  
as the final touch.



# 1. Group structure and shareholders

## 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 August 2, 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, 2005 of CHF 1 837 416 292. 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 52 and 58 of the Kudelski Group 2005 Financial Statements.

## 1.2 Significant shareholders

The principal shareholder of Kudelski SA is the Kudelski family pool including Mr Stefan Kudelski and Mr André Kudelski.

No other shareholder holds more than 5% of the capital and there are no shareholders' agreements between the family pool and other shareholders.

	31.12.2005
Kudelski family pool	
Listed bearer shares	6 658 619
Unlisted registered shares	46 300 000
Voting rights	56.73%
Share capital held	21.84%

This shareholding structure, and in particular the control given to the family pool over the company warrants the independence of the Group vis-à-vis the main digital TV operators and protects the Group's customers from take over.

## 1.3 Cross-shareholdings

There are no cross-shareholdings.

## Kudelski SA

### Digital TV

Nagravision	100%
NagraCard	100%
Nagra France	100%
NagraStar	50%
Nagra Plus	50%
Quative	100%
Abilis Systems	100%
NagraID	100%
Leman Consulting	100%
MediaCrypt	50%
Nagra Thomson Licensing	50%

### Nagra Public Access

SkiData	100%
Ticketcorner*	100%
polyright	100%

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

\* On December 5, 2005, the Group, until then 100% holder of Ticketcorner, announced the sale of a majority stake of Ticketcorner to Capvis, the management of Ticketcorner, and Mr. Andy Rihs. The Group keeps a 28% minority shareholding. The sale was completed in February 2006.

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

Head offices  
 Regional headquarters  
 Subsidiaries/offices