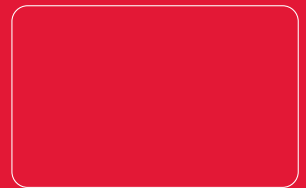




# Nagra Audio

An evolution in line with a prestigious career



## Nagra Audio

Audio is the historical activity of the Kudelski Group. Initially focused on portable recorders reserved for professionals, today it also embraces a complete range of hi-fi equipment aimed at audiophiles.

In 1951, the invention of the first Nagra portable recorder was a revolution for audio professionals and conferred a mythical status on the brand. The spirit of this invention has been perpetuated over the years through equipment that, generation after generation, represented the summit in their technology. The many prestigious prizes awarded to the Nagra recorders – including two Oscars and one Emmy Award – attest to this exceptional record that makes Nagra one of the most respected names in the audio world.

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### Professional line

The rise of digital has considerably modified the conditions in which audio has evolved during the last fifteen years.

The difference between professional and mass-market equipment has been reduced as much for the level of performance and functions as for the price. Digital equipment is characterized by greater mechanical simplicity and can be miniaturized more easily. Production costs are also lower.

Nagra took advantage of this evolution to adapt its strategic and technical approach. The brand has worked especially on its cost structure and has developed a new generation of products offering maximum performance at an optimized price. Quality continues to be of primary importance for Nagra both in terms of product design and after sales service. Nagra has more than 40 distributors throughout the world, many of whom have represented the brand for several decades.

Nagra owners know that they can count on the robustness of their machines, while in this sector equipment often becomes obsolete within a few months. Thanks to the information and software updates made available on Nagra's website – [www.nagraaudio.com](http://www.nagraaudio.com) – users have a close contact with the company and are able to maintain their devices up to date.

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### Continuing success of the Ares-M

The miniature recorder Nagra Ares-M illustrates this evolution. Launched in 2005, it has been able, thanks to its attractive price, to enter a market partially occupied by mass-market devices. The Ares-M interests not only radio professionals but also a new class of clients, such as recording enthusiasts, doctors and lawyers, who use it as a high-performance handheld machine. The security sector, for which tailored versions of the recorder are being developed, also represents a new market opportunity.

The sales of the Ares-M have reached unprecedented volumes and allow Nagra to conclude the year 2006 with improved results.

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### High-end line

Nagra Audio entered the hi-fi sector in 1997 and rapidly became a reference in the high-end segment. This activity contributes today some 30% of the revenues of the division. Along with Europe, the United States and Asia constitute the principal markets of development.