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PRESS RELEASE

CANALSATELLITE Selects Kudelski's MediaGuard Conditional Access System For New ADSL Service

- ***Advanced Digital TV, Internet and Telecom Services Offered to more than 3 Million Homes in France***
- ***Kudelski Group Provides Content Security for Pay TV Services over DSL***
- ***MediaGuard Offers Single Content Security Solution for Hybrid Broadcast DVB and Broadband DSL TV services***

Paris, France - April 15, 2004

Nagra France, the Kudelski Group's subsidiary which develops and offers MediaGuard conditional access system to operators worldwide, today announced that *CANALSATELLITE*, France's leading Pay TV Operator part of CANAL+ Group, has chosen MediaGuard to secure content delivery of its programming services over an ADSL network.

Called CANALSATDSL, the new service, launched in March in Marseille, will roll out in Paris in May, followed by other cities in the months to come. CANALSATDSL will address a potential of 3 million homes by the end of the year. It targets the heart of the cities, which are not addressable by satellite today.

The MediaGuard contract underscores the Kudelski Group's commitment to secure Pay TV operators' content in whichever environment they choose be they cable, satellite, terrestrial, mobile, internet or DSL networks.

The MediaGuard conditional access solution protects content transmitted over hybrid Broadcast DVB and TV over DSL services.

Thanks to the flexibility of the rights management single-server design which fits simultaneously the hybrid broadband and broadcast set-top boxes, *CANALSATELLITE* drastically reduces the content security costs as well as maintenance and operational costs. The solution allows *CANALSATELLITE* to offer either the same or different programming packages over satellite and over ADSL, thus further reducing marketing costs and maximizing revenues.

The single-server architecture also enables seamless Pay-Per-View and Video on Demand services, all at minimum cost for the operator.

"This launch marks a new chapter in the long-standing partnership we have developed over the years with the *CANAL+* Group," said Pierre Roy, Chairman of Nagra France and Chief Operating Officer of the Kudelski Group's Digital TV services. "We are delighted to one more time pioneer together a new era in digital television services and look forward to providing our unique DSL/ADSL conditional access solution to many other operators worldwide."

"Our MediaGuard choice will enable us to secure the additional revenues we expect from ADSL subscribers, but also to guarantee to our program rights owners a very high level of content protection," said Isabelle Parize, CEO of *CANALSATELLITE*. "Easy to use – the connection is done through a regular French telephone plug, the service will enable *CANALSATELLITE* to extend its reach among city-dwellers who have been unable to install a satellite dish on top of their apartment buildings."

In partnership with telecommunications operators France Telecom and neuf telecom, consumers have access to a wide choice of 80 television channels, half of them on an exclusive basis, including the *CANAL+* premium offering.

Asynchronous Digital Subscriber Line services (ADSL) or Digital Subscriber Line services involve the transmission of compressed data over broadband networks. Industry estimates are that there are close to 64 million DSL lines worldwide. France counts over 3.3 million lines, which represents a ratio of 9.6 DSL users per 100 phone lines. By comparison, the United States counts only 4.8 percent of phone lines connected to DSL.

MediaGuard is a conditional access system that allows delivery of premium content and transactions across cable, satellite and terrestrial television networks. MediaGuard offers subscribers the freedom to choose between a variety of payment methods for pay-TV, pay-per-view, Video-On-Demand, interactive retailing and other transactional services.

About Kudelski Group's Nagra France

Nagra France is a wholly-owned subsidiary of the Kudelski Group, the world leading independent provider of open conditional access, advanced management tools and integrated solutions for digital TV operators and

content providers. The Kudelski Group's CAS solutions for digital television are marketed under the Nagravision and MediaGuard brands.

Nagra France develops and markets the MediaGuard conditional access system, a leader in the Digital TV market since 1996. Nagra France's customers include satellite, cable, terrestrial and ADSL operators such as the Canal+ Group, Astro (Malaysia), Orbit (Middle East) and BGCTV (China).

Kudelski SA is traded on the Swiss Stock Exchange (SWX "KUD") and is listed on the SMI (Swiss Market Index). It is also included in the MSCI (Morgan Stanley Capital International) Index.

For more information: <http://www.nagra.fr> and <http://www.kudelski.com>

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