

NAGRA AND MSTAR TO ENABLE PAY-TV SERVICES DIRECTLY TO 4K ULTRA HD CONNECTED TVS

- MStar integrating Nagra-On-Chip-Security (NOCS) for TV and the NAGRA anyCAST CONNECT security client in MStar 4K Ultra HD TV System on a Chip (SoCs)
- Pay-TV service providers benefit from direct access to fully featured and pre-integrated NAGRA CAS and DRM functionality on Connected TVs integrating the MStar SoC
- The joint NAGRA/MStar solution will be available to TV vendors in 2015, with TV vendors planning to bring the first models to market in 2016

CHESEAUX, Switzerland – September 2nd, 2015 - NAGRA, a digital TV division of the Kudelski Group (SIX:KUD.S) and the world's leading independent provider of content protection and multiscreen television solutions, and MStar Semiconductor, Inc., a leading global semiconductor company for display and digital home solutions, announced today the integration of key NAGRA security technologies directly into MStar's System-On-Chips for 4K Ultra HD Connected TVs.

By integrating NAGRA's NOCS for TV and anyCAST CONNECT client directly into MStar chipsets and MStar Trusted Execution Environments (TEE), pay-TV service providers will be able to deliver high-value premium content directly to TVs without a set-top box while still meeting strict Hollywood standards for content protection. NAGRA's anyCAST CONNECT converged CAS/DRM client supports DVB broadcast, IPTV as well as OTT and Home Networking use cases including whole-home DVR. Service providers can implement their own Electronic Program Guide using the TV manufacturer's SDK or the HBBTV standard.

The CONNECT client can be activated by pay-TV service providers via a simple sign-up process on the TV itself, similar to the way people sign up for pure OTT services. This allows co-promotion business models with TV vendors, enabling, for example, a free trial pay-TV service period without needing to ship or install a set-top-box. The solution reduces barriers to entry, increases service take-up, and reduces subscriber acquisition costs.

Recent forecasts from ABI Research show global shipments of Ultra HD televisions growing by a Compound Annual Growth Rate of 49.5%, from nearly 12M units in 2014 to nearly 134M units in 2020. This represents a tremendous opportunity for pay-TV service providers to leverage these devices as new platforms on which to offer their premium services.

"By working with MStar to bring NAGRA's next-generation connected security solutions directly to 4K Ultra HD TV sets, we are giving our clients new ways to increase their market share and sign up new customers spontaneously from the comfort of their own couches," said Maurice van Riek, Senior Vice President, Head of Content and Asset Security for NAGRA. "More importantly, without compromising on security, pay-TV service providers can deliver their full bouquet of premium content directly on the TV screen for OTT, DVB and IPTV without the need for an additional STB or CA module."

"With the surging demand for 4K Ultra HD devices and the need for new ways to securely deliver content and acquire new subscribers, we are pleased that MStar's high-caliber set-topbox and TV technology can provide the perfect solution," said Wayne Tsai, Marketing Director at MStar Semiconductor, Inc. "NAGRA's NOCS for TV and anyCAST CONNECT with MStar TEE offers a robust security solution for the 4K Ultra HD Connected TV market, and provides innovative new ways to deliver premium pay-TV services to new market segments."

NAGRA is engaged with leading TV manufacturers and pay-TV service providers around the globe to deploy this innovative Connected TV solution.

For more information about NAGRA Connected TV solutions, please visit the NAGRA IBC booth C81 in Hall 1 of the RAI Convention Centre, September 11-15, 2015, in Amsterdam.

About NAGRA

NAGRA, a digital TV division of the Kudelski Group (SIX:KUD.S), provides security and multiscreen user experience solutions for the monetization of digital media. The company offers content providers and DTV operators worldwide with secure, open, integrated platforms and applications over broadcast, broadband and mobile platforms, enabling compelling and personalized viewing experiences. Please visit <u>dtv.nagra.com</u> for more information and follow us on Twitter at <u>@nagrakudelski</u>.

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