

KUDELSKI GROUP ACQUIRES WATERMARKING LEADER NEXGUARD LABS BV

Cheseaux-sur-Lausanne, Switzerland – Phoenix (AZ), USA: July 8th, 2016 - The Kudelski Group announced today the acquisition of 100% of NexGuard Labs BV (formerly Civolution BV), a leader in digital content watermarking solutions. This move expands the Kudelski Group's portfolio of end-to-end content protection security solutions, enriching the existing offer to content owners and pay-TV operators.

NexGuard Labs BV, based in the Netherlands with offices in Los Angeles, New York, London, Dubai and Rennes (France), is a leading provider of forensic watermarking technology and solutions for protecting media content against illicit redistribution. It offers an extensive portfolio of industry-leading digital watermarking tools to help media content owners, rights holders and distributors protect and manage their assets.

With US\$ 90 billion of protected revenues for 530 clients worldwide, the Kudelski Group has 30 years of experience acting as a mission-critical partner for pay-TV operators and content owners. Its security solutions are designed to be capable of continuous evolution and dynamic upgrades to counter any security risk, in broadcast, hybrid and connected environments. The security specification and certification standard the Group has established is one of the most inclusive and reliable, reducing overall business risk for the pay-TV ecosystem.

André Kudelski, Chairman and CEO, Kudelski Group said: "the acquisition of NexGuard further strengthens our content protection offering and represents a key milestone in executing our growth strategy in security."

Watermarking is a key component of the content protection chain, helping to prevent illegal sharing, ensure full traceability and provide guarantees to end-users in terms of quality. The use of this technology has become a major requirement from content owners, especially regarding 4K, High Dynamic Range or live sports events distribution. It also helps pay-TV operators ensure that content is not distributed illegally.

The watermarking technology developed by NexGuard does not impair the viewer experience and is robust against severe degradation of the content. It will reinforce the Kudelski Group's existing watermarking technology, anyMARK, and will be available on all Kudelski Group digital television products.

Terms of the transaction are not disclosed.

About the Kudelski Group

The Kudelski Group is listed on the Swiss Stock Exchange (SIX:KUD:S). It is a world leader in digital security; its technologies are used in a wide range of services and applications requiring access control and rights management to secure the revenues of content owners and service providers for digital television. The Group also offers cyber security solutions and services focused on helping companies assess risks and vulnerabilities and protect their data and systems. The Kudelski Group is also a technology leader in the area of access control and management of people or vehicles to sites and events. The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland. For more information, please visit www.nagra.com.

Contacts:

Phil Mundwiller Vice President – Head of Corporate Communications +41 21 732 01 81 phil.mundwiller@nagra.com

Santino Rumasuglia Kudelski Group Vice President – Head of Investor Relations +41 21 732 01 24 santino.rumasuglia@nagra.com