Press Release

2015 HALF YEAR RESULTS

- +10.4% constant currency revenue growth and +9.7% operating income growth
- Further wins in core digital TV markets and deployments of next generation technologies
- Integrated security, connectware and multi-screen bundles gaining traction
- Joining forces with EchoStar in the set-top box space
- Continued patent licensing momentum with further licensing agreements
- Kudelski Security expanding its customer base
- Stepping up SKIDATA non-European growth
- Increased guidance for full year revenues and profitability

KEY FIGURES HALF YEAR 2015

(In million CHF)	1H 2015	1H 2014	Variation
Revenues & Other Operating Income	**425.0**	**400.1**	**+6.2 %**
Operating Income	**30.4**	**27.7**	**+9.7 %**
Net Income	**9.8**	**0.6**	

Cheseaux, Switzerland – August 20, 2015 - The Kudelski Group (SIX: KUD.S), a leading provider of media content protection and value-added service technology, announced today its 2015 half year results.

During the first half 2015, the Kudelski Group grew its consolidated revenues and operating income in spite of significant exchange rate volatility. The Group expanded its distribution capabilities in the Public Access segment and continued to optimize its Integrated Digital TV (iDTV) activities.

10.4% CONSTANT CURRENCY REVENUE GROWTH AND 9.7% OPERATING INCOME GROWTH
Group revenues and other operating income for the first half increased by CHF 24.9 million to CHF 425.0 million. First half 2015 constant currency revenues increased by 10.4% over the same period in 2014, primarily driven by the 24.2% constant currency growth of the Public Access

segment. The Group generated operating income of CHF 30.4 million, representing a 9.7% improvement compared to the same period of 2014 in spite of negative currency effects. Net income improved from CHF 0.6 million to CHF 9.8 million.

Compared to the strong first half 2014, which was supported by the one-time licensing revenues from the Cisco patent licensing agreement, integrated Digital TV segment (iDTV) constant currency revenues for the first half 2015 grew by 6.8%, benefitting in particular from the underlying growth of the core digital TV business, to CHF 324.4 million. Operating income for the segment improved by 17.9%, reaching CHF 52.6 million.

Public Access posted a strong 24.2% revenue increase in constant currency, reaching CHF 91.7 million for the first half 2015. Segment's operating income for this first half was CHF 6.1 million lower compared to the previous first half, as SKIDATA expanded its operations to support the expected growth acceleration. SKIDATA entered the second half with a backlog of EUR 36 million higher compared to end of June 2014. Such backlog is expected to support the growth momentum in the second half 2015 and result in a recovering full year profitability.

FURTHER WINS IN CORE DIGITAL TV MARKETS

The Group entered into several new contracts and completed new deployments in the digital TV segment In Europe, the ongoing service provider consolidation trend is confirming NAGRA's role as platform of choice for the merged entities.

Altice Group has confirmed NAGRA's strategic supplier position through a framework agreement allowing Altice to benefit from NAGRA's latest generation of security solution for all types of devices and all types of broadband networks. NUMERICABLE-SFR Group has selected Medialive Secure Player as a multiscreen solution to seamlessly deliver its TV services across all devices (incl. mobile phones, tablets).

The MediaLive-powered "Yomvi by Movistar+" platform is now being rolled out to Telefonica's existing subscribers. The Yomvi service has extensively proven MediaLive's scalability to the peak concurrency required by mainstream live sports events with a record of half a million unique devices for a Real Madrid-Barcelona soccer match.

Highlights from emerging markets include:

— DishTV, one of India's largest satellite operators with 26% market share and a long standing OpenTV customer, is launching push VOD services in August relying on an end-to-end Kudelski Group solution.

— GTPL Hathway Private Limited, a major pan Indian cable MSO, crossed the one million subscriber mark on the anyCAST platform and selected an OpenTV solution for deployment in 2015. Also in India, the HITS NXT Digital platform is launching in August with pre-integrated anyCAST content security and OpenTV middleware.

— NAGRA anyCAST has been selected to protect the new DTT platform of Canal+ Africa.

- Continental Satellite Limited (CONSAT) in Nigeria will, after a successful launch in 2014 using anyCAST content protection and following the continued adoption of the service in Nigeria, enhance its CONSAT TV satellite service with SmarDTV CAM modules.

- Securing over 10 million active devices and 40 DTH Cable, Terrestrial and IPTV operators across Latin America, Conax continued its LATAM growth with two new contracts in the region. In addition, the new Conax multi-DRM solution was deployed in the Caribbean with additional solutions under deployment in the Americas. The Conax partnership with Chinese operator StarTimes continued to evolve around new DTT deployments as well as next generation consumer propositions in China and Africa.

DEPLOYMENTS OF NEXT GENERATION TECHNOLOGIES

In this first half, the Group's iDTV units completed first deployments of next generation technologies including 4K (ultra-high definition) video transmission, all-IP fiber networks, Dynamic Ad Insertion (DAI) and Wi-Fi Conditional Access Modules (CAM).

At Skylife in South Korea, NAGRA's studio-endorsed 4K-ready anyCAST content protection secures the world's first live 4K UHD satellite offer.

Starhub launched an IPTV service on their all-IP fiber network leveraging NAGRA's MediaLive, OpenTV 5 connectware and anyCAST content protection solutions to seamlessly deploy their latest digital TV offering across multiple network types.

The DISH Anywhere multiscreen service leverages the MediaLive Secure Player to enable DAI and audience measurement for VOD services, capabilities that are increasingly important for content licensing from the major studios.

Mediaset enjoyed a successful commercial launch of the first CI Plus Wi-Fi CAM offering both Mediaset Premium broadcast services and Mediaset Premium Play broadband services in one single module. SmarDTV's innovative Wi-Fi enabled Premium SMART CAM turns every digital TV into a "Smart TV" controlled by Android or iOS devices.

INTEGRATED SECURITY, CONNECTWARE AND MULTI-SCREEN BUNDLES GAINING TRACTION

End-to-end solutions based on ready-to-deploy bundles of anyCAST security, OpenTV5 connectware and MediaLive multiscreen are seeing increasing market traction in Asia and Latin America:

- VTV Cab in Vietnam launches a range of basic and advanced cable services based on NAGRA anyCAST and Conax Contego security with OpenTV5 connectware unlocking the advanced services and MediaLive underpinning the OTT services. SmarDTV's CI+ CAMs are enabling a direct-to-TV solution with Samsung Electronics.

- America Movil Columbia is launching a cable platform based on anyCAST security, OpenTV5 connectware and MediaLive OTT services.

- C&W Panamá's next generation payTV and multiscreen service features a rich and seamless cross-device user experience through a turn-key solution enabling fast deployment of advanced digital TV services.

JOINING FORCES WITH ECHOSTAR IN THE SET-TOP BOX SPACE

In May, SmarDTV completed the acquisition of Echostar's European set-top box operations, thereby extending the Group's set-top box portfolio with a feature-rich set of gateways and set-top boxes. Concurrently with the acquisition of these entities, EchoStar acquired 22.5% of SmarDTV's capital.

CONTINUED PATENT LICENSING MOMENTUM WITH FURTHER LICENSING AGREEMENTS

In the first half 2015, the Group continued to extend the scope of its intellectual property licensing activities, signing patent licensing agreements with Netflix, Google, Disney and Bloomberg, resulting in a material positive contribution to first half's revenues and operating income.

KUDELSKI SECURITY EXPANDING ITS CUSTOMER BASE

Starting in August, Kudelski Security partnered with Allianz Global Corporate & Specialty SE (AGCS). AGCS selected Kudelski Security as a cybersecurity specialist to provide incident response services to its customers in case of a cyber-breach. Kudelski Security continued to expand its customer base by several new clients, including a top 5 global bank, leveraging the expertise and best-of-breed technology from the Kudelski Security Cyber Fusion Center. In the defense and public sector, Kudelski Security expanded its presence in Latin America and entered into a strategic partnership with Athonet, a provider of an innovative mobile core network solution, to supply a secure 4G-LTE solution.

STEPPING UP SKIDATA NON-EUROPEAN GROWTH

In Public Access, the Group acquired 60% of Sentry Control Systems, SKIDATA's largest distributor in the United States, with an option to purchase the remaining 40% share. SKIDATA also acquired Don Harstad, a smaller distributor in the Midwestern region of the United States. In addition, SKIDATA purchased the intellectual property portfolio of 3M's parking business, gaining privileged access to an installed base of close to 10'000 former 3M North American parking customers. SKIDATA assumed operational control over its Australian distributor, now renamed SKIDATA Australasia Pty Ltd, with an option to acquire the remaining shares in this entity. With these acquisitions SKIDATA significantly expanded its presence outside its traditional European market and doubled its non-European revenue base in this first half, compared to the first half of last year. Benefitting from the expansion of its distribution channels, SKIDATA, currently worldwide market leader in the ski segment, now also becomes the global market leader in the off-street parking segment.

INCREASED GUIDANCE FOR FULL YEAR REVENUES AND PROFITABILITY

For the full year 2015, the Group expects growing iDTV revenues, as the favorable momentum of this first half is expected to continue in the second half year. Second half iDTV revenues are forecasted to be higher than in the first half. iDTV seasonality patterns for operating income should be similar to last year, with a stronger first half than second half, as the Group benefitted from the one-time patent licensing transactions in the first half of this year. In the

Public Access segment, the Group forecasts a continued strong top line growth in the second half, with a seasonality effect more pronounced than in previous years. Public Access's operating income is expected to recover to reach a full year level substantially in line with the previous year's.

On this basis, the Group is updating its total revenue guidance from CHF 845 to 875 million to a new range of CHF 920 to 940 million. Similarly, the Group raises its operating income guidance from CHF 50 to 65 million to a new range of CHF 70 to 80 million.

The 2015 first half Financial Statements and MD&A are available in PDF format under: www.nagra.com >> Investors >> Publications.

Note to the editor

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 services providers for digital television. The Group also offers cyber security solutions and services focused on helping its customers to assess risks and vulnerabilities and protect their data and systems from cyber attacks and other threats. Through its SKIDATA subsidiary, the Kudelski Group is also a technology leader in the area of access control and management of people and vehicles to sites and events. The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland. For more information, please visit www.nagra.com

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