

## Press release

### **The Kudelski Group continues its fight against piracy initiatives**

Cheseaux, 11 September 2008 – The Kudelski Group announces a new judicial success in its continuous fight against all forms of piracy attacks or threats against pay-TV signals.

In a verdict rendered on August 27, 2008, the county court of Frankfurt-am-Main prohibited one of the main "free-to-air" TV decoder importers in Germany, Heinrich Zehnder GmbH, from importing, possessing, or marketing a model of TV decoders containing an electronic mechanism that makes possible the circumvention of conditional access systems and allows the illegal reception of pay-TV programs.

Although the banned "free-to-air" decoders also allow reception of free (unencrypted) television programs, the Court found these devices illegal because they contain an electronic mechanism with the sole function of facilitating piracy of encrypted content.

Heinrich Zehnder GmbH risks a fine of up to € 250'000 or a prison sentence for its managing director of up to 6 months if it does not comply with the verdict.

This verdict is a clear message for manufacturers and importers of "de facto" pirate decoders. From now on, they will have to ensure that such decoders are not equipped with technical elements that – by themselves or through the downloading of pirate software – allow circumvention of content protection systems and the illegal reception of encrypted content.

The verdict, which will become final after the one-month appeal deadline, is the result of a judicial procedure initiated by Nagravision.

The Kudelski Group is engaged in an active and fundamental fight against television piracy. As part of this effort, it is prosecuting companies and individuals who are involved in piracy activities as well as those who develop infrastructures designed to facilitate such activities. Through these actions, the Kudelski Group aims at extending the lifespan of the solutions used by its clients by reducing the economic attractiveness of large-scale industrial piracy in the long term. These actions complement the significant development of new security technologies.

#### **About the Kudelski Group**

The Kudelski Group (SWX: KUD.VX) is a world leader in digital security and convergent media solutions for the delivery of digital and interactive content. Its technologies are used in a wide range of services and applications requiring access control and rights management to secure the revenue of content owners and service providers for digital television and interactive applications across broadcast, broadband and mobile delivery networks. The Kudelski Group is also a world technology leader in the area of access control and management of people or vehicles to sites and events. It additionally offers professional recorders and high-end hi-fi products. The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland. Please visit [www.nagra.com](http://www.nagra.com) for more information.

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