

Press Release

Visit us at IBC2005, Booth N°1.420.

Nagravision and Microsoft announce agreement to deliver innovative solutions for digital pay-TV to Windows Media Center PCs

Industry leaders collaborate on integrating digital TV platforms with Windows-based personal computers and connected devices

Cheseaux (Switzerland), IBC2005 (the Netherlands), September 9th, 2005 – Nagravision, the world's leading independent provider of value-added content protection solutions, and Microsoft Corp., the worldwide leader in software, services and solutions, today announced a joint commitment to enable technology solutions that help provide the secure reception of digital pay-TV programs on personal computers and devices running Microsoft® Windows® operating systems.

Nagravision and Microsoft will work together to enable the development of cost-effective products and services that use both parties' technologies for the delivery of premium television content to personal computers running the Windows XP Media Center Edition operating system and its ecosystem of connected devices, including Xbox 360™ and Portable Media Centers. The agreement includes a plan for joint marketing and business development activities.

The convergence of pay-TV and personal computers brings new business opportunities for content owners, network operators, electronic devices manufacturers, retailers and technology providers. A critical piece needed to fully capitalize on this convergence and enable compelling end-user scenarios for the delivery of high-value digital content is the availability of a solid, scalable conditional access (CA) to Windows Media® Digital Rights Management technical solution. Such a CA-to-DRM bridge solution narrows the gap between the pay-TV platform and the increasing number of Media Center PCs and their connected digital devices.

“This relationship allows our customers to increase their options for content distribution within the home and capitalize on the emergence of their subscribers' expectations to access content on any device,” said Pierre Roy, Nagravision's Chief Operating Officer. “In fact this CA-to-DRM bridge links the best of both worlds: Nagravision's proven CA technology for content delivery and Microsoft's home network concept for distribution within the home.”

“We're tremendously excited to work with such an industry leader to further the vision of digital entertainment anywhere,” said Rick Thompson, Microsoft's Corporate Vice President of Windows Client Extended Platforms. “This partnership will help the industry enable authorized distribution of premium TV content to Media Center PCs and a variety of connected retail devices, benefiting both consumers and network operators.”

Today at IBC2005, Microsoft and Nagravision are demonstrating the first results of their collaboration: a proof-of-concept device, implemented on Microsoft's reference design by Digital Keystone Inc. This demo shows CANAL+ Group's TV programs being securely broadcasted through Nagravision's conditional access system before being securely “bridged” into Microsoft's digital rights management (DRM) content protection technology to enable authorized access on Windows Media Center PCs and their ecosystem of connected devices. This Nagravision CA-to-DRM bridge, shown on Nagravision's booth #1.420, supports current business models and enables quality-perfect, authorized access of premium TV content. It allows network operators to take advantage of the innovation around media consumption on Media Center PCs and their entire ecosystem of connected devices.



“Upon customer request, we have now the ability to help provide a secure solution to bridge the customer operator vertical wall-garden and the horizontal DRM world. While many standards and market-driven initiatives are still struggling to find their place in this industry, we now have the elements to provide a solution with Microsoft,” said Philippe Stransky, Nagravision’s Chief Technology Officer.

“Bridging conditional access technologies with digital rights management is a critical component of content distribution in the home,” said Paolo Siccardo, Digital Keystone Chief Executive Officer. “We are proud to provide the world’s first CA-to-DRM bridging technology for the Microsoft/Nagravision reference design.”

“This major evolution contributes to CANAL+ Group objectives to allow content to be delivered anytime, anywhere and on any device in a secure manner,” said Jean-Christophe Dekeyser-Donze, CANAL+ Group New Technologies Director.

The importance of delivering secure and scalable business solutions to digital content providers can not be underestimated as broadcast industry partners extend their reach to PC users who expect to have access to more content in more places than ever before. Microsoft and Nagravision are uniquely equipped to lead this charge and in doing so will help make seamless and secure access to protected content a reality.

About the Kudelski Group/Nagravision

The Kudelski Group (www.nagra.com) is a world leader in digital security. Its technologies are used in a wide range of applications requiring access control and rights management, whether for securing transfer of information (digital television, broadband Internet, video-on-demand, interactive applications, etc.) or to control and manage access of people or vehicles to sites and events. The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland, and its stock is listed on the Swiss Market Index.

Nagravision (www.nagravision.com), a Kudelski Group company, is the world's leading independent supplier of open conditional access and integrated solutions for digital TV operators and content providers. Its technologies are currently being used by more than 100 leading operators worldwide serving over 57 million subscribers.

About Microsoft

Founded in 1975, Microsoft (Nasdaq “MSFT”) is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

About Digital Keystone

Digital Keystone is a leading developer of digital entertainment solutions to enable premium content in the home. Top silicon and system providers rely upon Digital Keystone components to deliver breakthrough PC and consumer products. Digital Keystone has offices in Los Altos, Calif., and Aix-en-Provence, France. For additional information, visit the company’s web site at www.digitalkystone.com or contact Fred Serre, General Manager & Vice President Europe, at +33 4 42 95 77 21 (Phone) or +33 6 20 64 92 62 or per email at fred@dkeystone.com.

About CANAL+ Group

CANAL+ Group (www.canalplusgroup.com) is France’s leading television group. With nearly 7.9 million subscriptions to its different services it is also France’s leading pay-TV provider.



CANAL+ Group ranks first in France for pay channel production with the CANAL+ premium channel and its 4.9 million subscriptions. It also produces some twenty high value added theme channels, including SPORT+, i>TELE and the CINÉCINÉMA and PLANÈTE channels. It has also gained extensive expertise in channel distribution via all types of delivery systems, including over-the-air (analog and digital), satellite, cable and DSL. It is a major player in digital television and France's leading satellite service operator with CANALSAT (over 3 million subscriptions). CANAL+ Group is also a major player in feature film production and distribution in France via CANAL+ and its subsidiary STUDIOCANAL.

Microsoft, Windows, Xbox 360 and Windows Media are either registered trademarks or trademarks of Microsoft Corp. in the United States and/or other countries.

The names of actual companies and products mentioned herein may be the trademarks of their respective owners.

For more information or to arrange a meeting at the IBC trade show please contact:

Nagravision:

Ivan Schnider
Marketing & Communications Manager
+41 21 732 0940 / +41 79 778 9412 (cell)
ivan.schnider@nagra.com

Catherine Hugon
Corporate Communications Manager
+41 21 732 01 54
catherine.hugon@nagra.com

Microsoft:

Rapid Response Team
Waggener Edstrom
+1 (503) 443-7070
rrt@wagged.com