

Press Release

CHINA'S SHANDONG CABLE CHOOSES NAGRA TO SECURE LARGE-SCALE CABLE TV DEPLOYMENT

- **NAGRA expands its footprint in the Chinese market and allows Shandong Cable accelerate their "one province, one network" strategy**
- **NAGRA's advanced conditional access technology, NAGRA MediaAccess, will provide unified management and control of Shandong Cable's 17 head-ends in the Shandong Province**
- **Solution enables the secure and seamless delivery of free-to-air and premium pay-TV services to 17 cities and nearly 20 million subscribers**

Cheseaux, SWITZERLAND – October 22, 2013 – NAGRA, the Kudelski Group (SIX:KUD.S) digital TV business and the world's leading independent provider of content protection and multiscreen television solutions, announced today that its conditional access technology, NAGRA MediaAccess, was selected by Shandong Cable, the cable television provider for the Shandong Province of China and one of the world's largest cable operators. This new win reinforces the company's growing footprint in the region and marks an important milestone for NAGRA as the first large-scale deployment in China of the company's device-embedded conditional access solution.

"NAGRA's conditional access solutions provide the flexibility and robustness we require for deploying and expanding our new pay-TV services across the Shandong Province," said Mr. Liu Baoju, Shandong Cable Chairman. "Thanks to NAGRA, we can extend our reach and have more control over our network while safeguarding our investment and ensuring our platform is ready to meet the growing consumer demand for premium content."

"Cable operators in China – especially those consolidating networks at provincial level – have growing incentives to ensure both the security and scalability of their networks," said André Kudelski, Chairman and CEO of the Kudelski Group. "A proven track record in both aspects is fundamental to ensure large scale deployment efficiency and stability – and we are honored that Shandong Cable is entrusting that task to us. We look forward to contributing to their success with solutions that effectively manage the risks associated with distributing media across such a large network."

NAGRA MediaAccess is at the core of NAGRA's digital TV solutions and is built on more than 20 years of conditional access expertise. The device-embedded MediaAccess solution selected by Shandong Cable enables them to securely deploy both free-to-air and premium services to its subscribers, while at the same time providing them with centralized management capabilities for their 17 head-ends. Designed to enable the secure delivery of valuable content to pay-TV subscribers and protected by state-of-the-art software security mechanisms leveraging NAGRA's chipset security in every set-top box, NAGRA MediaAccess ensures revenue growth for service providers and faster time-to-market of new services.

About Shandong Cable

Shandong Cable is a major state-owned cultural company in Shandong Province and a “Star Department in National Culture Transformation”. Headquartered in Jinan, Shandong Province, Shandong Cable has 16 regional subsidiaries, 1 directly managed subsidiary and 121 county-level subsidiaries, with over 17,000 employees. With nearly 20 million subscribers, Shandong Cable is one of the world largest cable operators. For more information about Shandong Cable, please visit <http://www.sdgdwljt.com>

About NAGRA

NAGRA, the 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 www.nagra.com/dtv for more information and follow us on Twitter at @nagrakudelski.

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