Press Release

Kudelski Group to acquire EmbedICs, Inc.

- Strengthening delivery of state-of-the-art security solutions and reverse engineering defense
- EmbedICs firmware and designs already deployed in set-top boxes

Cheseaux, Switzerland – February 8th, 2008 – The Kudelski Group (SWX Swiss Exchange: KUD) today announces its agreement to acquire EmbedICs, Inc. EmbedICs, Inc. is a US-based embedded software, cryptography and fabless semiconductor design firm delivering state-of-the-art security solutions for the Digital TV market. EmbedICs has successfully developed customized security solutions for several Fortune 500 companies. Their customers have been extremely satisfied with the quality of their work and their responsiveness. Recent projects included the development of: system level requirements definition, secure ASICs and embedded firmware design, continuously available secure database services and critical personalization and manufacturing infrastructure to support a US-wide security initiative.

André Kudelski, Chairman & CEO of the Kudelski Group, says: “This acquisition will add value to our innovation capability, our security know-how and also allow market expansion, as well as increasing the know-how of our people. It strengthens the Kudelski Group’s ability to deliver state-of-the-art technology solutions to the digital pay TV market by increasing system security knowledge and diversification as well as reverse engineering defense to make our products even safer. As EmbedICs is strongly positioned in the US cable market, it will also allow us to expand our presence there.” He continued: “We welcome our colleagues from EmbedICs and will together deliver even more value to our customers.”

PolyCipher, a joint venture of Comcast, Time Warner Cable and Cox Communications, is developing a next generation Downloadable Conditional Access System (DCAS) - a new security architecture that enables the download of renewable security clients to cable-ready devices, in order to safeguard video, audio and other content delivered over cable networks. EmbedICs, Inc helped to specify the system level requirements and messaging protocol and also developed security elements and production and operational support infrastructure that are critical to the deployment of DCAS.

The parties anticipate that the acquisition will close in the next 30 days.

Contacts Kudelski Group:
Santino Rumasuglia
Investor Relations
D +41 21 732 01 24
F +41 21 732 31 44
mail : santino.rumasuglia@nagra.com

Rodolfo Ciucci
Head of Corporate Communications
D +41 21 732 01 81
F +41 21 732 03 00
mail : rodolfo.ciucci@nagra.com

Contacts Embedics, Inc.
Mark Wilson
Ph: +1 410 290-1124
Fx: + 1 410 290-1176
mark.wilson@embedics.com

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. For more information, please visit www.nagra.com.

About EmbedICs, Inc.
Embedics, Inc, is a company specializing in all aspects of data security engineering and application security development. It has strong technical skills in hardware and software security engineering, attack analysis, driver development and application development. Its projects involve integrating secure software and firmware with either custom ASIC hardware or board-level hardware. The Company also has extensive experience in creating custom emulation platforms for security ASIC design, to mitigate cost and schedule risk by simultaneously developing both system software and the necessary ASIC. For more information, please visit www.embedics.com.