

PRESS RELEASE

KUDELSKI WORLD MARKET LEADER IN SECURITY SOLUTIONS FOR BROADCASTERS

Acquisition of Canal Plus Technologies' MediaGuard and major new contract wins in Europe, Asia and the Americas.

Cheseaux, August 4, 2003 – The Kudelski Group announced today its agreement with Thomson in Paris for the acquisition of MediaGuard, the Conditional Access business of Thomson's Canal Plus Technologies. Kudelski and Thomson will also set up a joint-venture in the area of Intellectual Property management. The transaction is expected to close in Q4, subject to regulatory approvals.

MediaGuard is the world's 3rd largest conditional access provider with approximately 10 million subscribers. Through this acquisition, Kudelski is likely to become the world market leader in the conditional access market while substantially increasing its recurring revenue base and adding a high margin revenue stream to its existing businesses.

The Kudelski Group is pleased to announce at the same time major new contracts in Europe, Asia and the Americas. These include :

- **MSG MediaServices GmbH**, a subsidiary of Kabel Deutschland and the platform operator for all German broadband cable network providers, is finalizing a contract with Nagravision for the delivery of a complete conditional access solution.

MSG MediaServices operates a digital platform serving approximately 18 million cable TV subscribers, including 1.5 million digital pay TV subscribers. Overall cable network providers on MSG MediaServices pass over 27 million homes in Germany.

The MSG MediaServices contract will be based on the newly introduced Nagravision rental fee model. Nagravision will ensure the upgrade of the installed set-top box security modules, replace the conditional access head-end, deliver a new set of smart cards and provide a complete service package.

Nagravision is looking forward to a partnership with one of the largest and most ambitious TV operators worldwide and to consolidate its strong position in the German market. Roland Steindorf, CEO of Kabel Deutschland said, "I am excited that we are moving ahead with Nagravision, a truly independent, service-oriented solution provider to deploy the most robust conditional access technology in the market".

- Following the merger of **Sogecable** and Via Digital in Spain, the new merged entity has decided to consolidate its full subscriber base using the Nagravision conditional access solution. The Kudelski Group will cooperate with Thomson to ensure a smooth migration of Sogecable's subscriber base from MediaGuard and the integration with Thomson's MediaHighway middleware.

Sogecable's selection of Nagravision technology confirms the comparative advantage of Nagravision's services and technology. It is planned to swap the combined installed base of Sogecable and Via Digital 2 million subscribers onto Nagravision's new Aladin technology.

- In addition, Nagravision was awarded new contracts from TV Cabo, ORF, C&M, Weststar and Iowa Network Systems.

TV Cabo, the leading pay TV provider in Portugal, extended its existing contract with Nagravision for its satellite operations and concluded a new contract with Nagravision for its cable platform.

ORF, the Austrian public broadcaster, has also selected Nagravision to support the deployment of Premiere's services for its over 200'000 Austrian subscribers.

C&M, the largest MSO in Korea, has selected Nagravision to implement a comprehensive solution addressing a 2 million subscriber market.

Iowa Network Systems, a US cable operator and **Weststar**, the Cayman Islands operator, chose Nagravision to provide a turnkey digital solution for migrating current analog cable TV networks.

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