



**Kudelski Group's Nagravision new Conditional Access system successfully installed and launched today in Germany on Premiere network.**

**Cheseaux, Switzerland – October 30th 2003** – The Kudelski Group announced today that Nagravision, its digital TV company and world leading independent supplier of open conditional access has successfully completed the installation of its Aladin-based latest generation Conditional Access system on the Premiere network, Germany's largest supplier of Pay TV services with more than 2.7 millions active subscribers.

This announcement comes only seven months after the signature of the contract between Premiere and Nagravision and demonstrates the capability of the two companies to overcome the highly technical challenges and aggressive schedule for the complete system as well as the smart card exchange required for this project. This achievement will enable Premiere to increase its number of subscribers, increase its average return per user (ARPU) and will eradicate the piracy of the Premiere's previous Conditional Access system.

Premiere's requirements were exacting: a rapid and efficient introduction of the new Conditional Access system, the replacement of the legacy Conditional Access system with the obligation not to disrupt the services to the 2.7 million subscribers, the exchange in less than seven weeks of 2.7 million smart cards and the additional need to manage about 350 different models of Set-Top-Boxes, most of them Dbox-1 and Dbox-2, but also third-party Set-Top-Boxes and DVB CI modules.

Nagravision developed and supplied to Premiere a turnkey system based on its new Aladin Conditional Access system and created many adaptation layers and interfaces to enable a smooth transition from the legacy Conditional Access system to the new one.

As a result, Nagravision delivered a system that allowed:

- the seamless head-end transition from a pirated access control to a secure one;
- the exchange of 2.7 million smart cards ;
- the continuing availability of all existing services to Premiere subscribers during the migration process

... together with the following additional system functions and features:

- support of parental code;
- support for the copy protection requirements (Macrovision);
- the black-out on some events for the hotels and the bars;
- the access to content available in different feeds simultaneously (multi-feed option, especially used for Formula 1 and other sport events);
- the use of promotional offers to all Premiere's subscribers;

- unscrambled events in order to comply with local regulations;
- adult pay-per-time and pay-per-night channels, season ticket.

“While a lot of observers were apprehensive about the feasibility of delivering such a complex platform within the project timescale and technical requirements, these challenges were achieved thanks to the commitment, technical expertise, leading-edge products, flexibility, willingness to succeed and serious project management of both companies” said Pierre Roy, Chief Operating Officer at Nagravision. “The delivery of this platform to Premiere represents one of the most extensive and complex operation of this type ever accomplished in digital television and clearly demonstrates Nagravision leadership within this industry”.

### **About Nagravision**

Nagravision is the world’s leading independent supplier of open conditional access, advanced management tools and integrated solutions for cable, satellite, terrestrial and MMDS, FTTH and xDSL operators. These advanced solutions provide digital TV and content providers with the tools to operate and manage a wide range of pay TV offerings including pay-per-view, on-demand and interactive applications on multiple digital platforms.

Nagravision digital and analog conditional access technologies are currently being utilized by leading operators worldwide representing over 35 million digital and analog subscribers. Nagravision is a division of the Switzerland-based Kudelski Group and has offices in the United States, Singapore, Shanghai, India, Brazil, Spain, the UK and Switzerland. The Kudelski Group (SWX "KUD") is part of the Swiss Market Index, which includes the top 26 blue chip companies in Switzerland. Kudelski stock is also listed on the Morgan Stanley Capital International Index.

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