



THE KUDELSKI GROUP AND VERIZON ENTER INTO PATENT CROSS LICENSE AGREEMENT AND RESOLVE ALL PENDING PATENT LITIGATION

Cheseaux-sur-Lausanne, Switzerland, and New York, 23 February, 2016 – The Kudelski Group (SIX: KUD.S), a leading independent provider of media protection and value-added service technology, and Verizon Communications Inc. (NYSE, Nasdaq:VZ) today announced they have entered into a multi-year patent cross licensing agreement. Under the agreement, the parties will dismiss all pending patent litigation, which relates to Verizon’s Fios television service, video advertising functionality, and OTT streaming services including AOL.

“The Kudelski Group is focused on developing and licensing technology and intellectual property to the video market and we are pleased to license our patent portfolio to Verizon,” said Joe Chernesky, Senior Vice President of Intellectual Property and Innovation at the Kudelski Group. “Operating companies benefit when they respect each other’s intellectual property rights and cross license their patents in a reasonable and collaborative manner. This agreement further validates the significant investment both companies have made and will continue to make in innovation to the benefit of consumers worldwide.”

With 4,500 patents and patent applications and over 60 years of experience in pioneering innovative technologies, the Kudelski Group offers a comprehensive intellectual property licensing program that provides its customers and partners with access to many fundamental technologies, enabling them to build compelling devices, applications and services that work seamlessly together.

The specific terms of the agreement remain confidential.

About the Kudelski Group

The Kudelski Group (Swiss stock exchange SIX: KUD.S) is a world leader in digital security and a provider of end-to-end convergent media solutions to the digital entertainment industry, including services and applications requiring access control and rights management to secure the revenue in digital television, internet, mobile and interactive applications. The Group offers cybersecurity solutions and services to enterprises, financial institutions, government administrations and the media industry. It also supplies integrated solutions to manage access control of people and vehicles to sites and events. The Kudelski Group holds thousands of issued and pending patents worldwide, and is headquartered in Cheseaux-sur-Lausanne, Switzerland. For more information, please visit <https://www.nagra.com>.

About Verizon

Verizon Communications Inc. (NYSE, Nasdaq: VZ) employs a diverse workforce of 177,700 and generated nearly \$132 billion in 2015 revenues. Verizon operates America's most reliable wireless network, with more than 112 million retail connections nationwide. Headquartered in New York, the company also provides communications and entertainment services over America's most advanced fiber-optic network, and delivers integrated business solutions to customers worldwide.

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