

PRESS RELEASE

**Pirating of Television Programs:
a further verdict on illegal Decoder Cards**

- **Conviction of a dealer of illegal smartcards following a complaint**
- **Fine of 500 Swiss francs per forged smartcard**
- **Further lawsuits pending**

A dealer in the Swiss Canton of Aargau has been convicted of selling illegal smartcards that allow free access to pay-satellite-television programs. This case pertained a German pay-TV channel. The conviction arose from a complaint filed by the Kudelski Group, a provider of security solutions and technologies, and another plaintiff in late 2005. The conviction has now taken effect following the expiration of the legal appeal period of 20 days.

Cheseaux, June 7, 2007 – The dealer was found guilty of illegally distributing and selling six smartcards and was fined 3,000 Swiss francs. In handing down this conviction, the district court in Brugg cited Article 150bis of the Swiss Criminal Code. According to this article, not only the production of forged smartcards is punishable and subject to fines but also their importation and exportation as well as trade in and installation of them.

Two managers of a company in central Switzerland were already convicted at the end of March in the Canton of Zug for the same offence. In that case, the judge hearing the case ordered that 20,000 Swiss francs be paid in addition to the fine to compensate for a pecuniary advantage obtained unlawfully. The operations were much larger and the trade set up was significantly more professional. When combined with appropriate software downloadable from the Internet, the illegal smartcards enabled access to two foreign pay-TV channels free of charge.

“As a supplier of security technologies and solutions, we are pleased about this conviction. It sends a clear message not only to dealers but also to any users that the pirating of television programs is more than a minor offence,” said Christophe Nicolas, Chief Security Officer of Nagravision S.A., a Kudelski Group company. Nicolas noted that additional cases filed by the Group are pending. “We trust the Swiss justice who considers that pirating of TV programs is an illicit activity which ought to be condemned,” Nicolas added.

With 71 million smartcards now in use, the Kudelski Group is one of the world's leading suppliers of smartcards and security technology for digital television. Combined with the appropriate decoder, smartcards enable access to television signals that are transmitted in encrypted form.

About the Kudelski Group

The Kudelski Group (SWX: KUD.VX) is a world leader in digital security. Its technologies are employed in a wide range of applications requiring access control and rights management, whether for securing the transfer of information (digital television, broadband Internet, video-on-demand, interactive applications, etc.) or for controlling and managing the access of people or vehicles to sites and events. The Kudelski Group is headquartered in Cheseaux-sur-Lausanne, Switzerland.

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