

## PRESS RELEASE

### THE KUDELSKI GROUP STRENGTHENS ITS POSITION ON THE DIGITAL CABLE AND TERRESTRIAL TV MARKETS

***Cheseaux, May 26, 2005 – The Kudelski Group further strengthens its position in the digital TV market with two significant achievements:***

- § ***The Kudelski Group has signed an important agreement with pan-European operator UPC Broadband.***
- § ***Nagra France will supply to CANAL+ Group the MediaGuard conditional access system, securing four pay TV channels to be launched on France's digital terrestrial television network in autumn 2005***

Nagravision has signed a global cooperation agreement to provide conditional access and content protection systems to pan-European operator UPC Broadband, a subsidiary of the international cable operator UnitedGlobalCom, Inc. (UGC).

In the initial ongoing implementation phase, Nagravision is supporting the digital migration of UPC Broadband cable network in the Netherlands, where UPC Broadband expects to begin in the fourth quarter of 2005 a large-scale digital migration project. As a result of this initiative, UPC Broadband expects to eventually deploy over 2 million digital set-top boxes to accelerate the growth of digital TV in the Dutch market.

With this new contract, Kudelski expects to leverage its unique position to continue expanding its leadership in the global cable TV market.

Further information concerning the UPC Broadband contract will be communicated shortly in a separate press release.

CANAL+ Group has selected the MediaGuard conditional access system to secure its four pay-TV channels CANAL+, CANAL+ CINEMA, CANAL+ SPORT and Planète over France's digital terrestrial television network. This decision extends the relationship between the two companies, while providing an opportunity for Kudelski to further enlarge its presence in the European digital terrestrial television market. Following the successful roll-outs in Italy and the United Kingdom, Kudelski now positions itself as the reference supplier of conditional access solutions for DTT. These solutions redefine the growth opportunities for digital television.

80% of the French population is expected to have access to DTT by the end of 2006. The new CANAL+ Group's DTT offer, as well as the hybrid digital/analog terrestrial decoders on which the new channels will be deployed, will enable CANAL+ 's 2.5 million analog subscribers to migrate to digital.

André Kudelski, President and Chief Executive Officer of the Kudelski Group says, « In 1989, CANAL+ chose Kudelski to secure its analog television service offering. Today, the CANAL+ Group is relying on us to secure its new DTT service offering. We would like to take this opportunity to thank the CANAL+ Group for their continued trust in our technologies. Our teams are ready to work together with CANAL+ on this promising project. »

In addition to confirming the growth momentum, these announcements are expected to materially impact the Kudelski Group's revenues and profitability starting in 2006.

### **Contacts**

Groupe Kudelski  
Catherine Hugon  
Tel. +41 21 732 01 54  
catherine.hugon@nagra.com

Nagra France  
Marie-Vincente Padeloup  
+33 1 70 71 61 73  
[mvp@nagra.fr](mailto:mvp@nagra.fr)