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## Group organization

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### Ongoing structure evolution

The governance and management structures established by the Kudelski Group take into account the demanding environment in which the firm operates.

The expertise of the Board of Directors provides the firm with all the resources necessary to support the major strategic orientations of the Group and to effect an informed supervision. Through its Board members, the Group benefits from proven international experience in the fields of strategy, new technologies, security, media, finance and law.

The Group's operational management favors a proactive, dynamic, client-oriented approach; the organization is hierarchically light and has direct decision lines. Key functions have been progressively strengthened over the last few years particularly in business and product development, security, human resources management, legal affairs and finance.

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### A multi-site structure close to markets

With the expansion of its competence centers worldwide and the objective to provide dedicated and specific solutions, the Kudelski Group has opted for partially decentralized management. As a result, the multi-center organization fosters the emergence of local talents, encourages responsibility and enhances creativity within a framework defined by the Group. The connected centers are organized as a network, with project supervision and coordination activities being handled out of the Group's headquarters in Switzerland. The Group favors a project-based approach to ensure that the project portfolio is streamlined and closely monitored at all stages, especially in terms of costs, specifications and deadlines.

### Extension of the Cheseaux site

In 2006, the Kudelski Group inaugurated its new headquarters building in Cheseaux; the site now comprises three buildings accommodating some 600 employees out of the Group's 1700 staff at the end of 2006.

The "Grand Cheseaux" site, which has twice the surface of the initial site, houses the company's management, R&D, sales and production teams. The contemporary architecture of the new structure uses natural materials and possesses double-glazed façades favoring thermal insulation and a symbiosis with the natural surroundings. Numerous meeting spaces encourage exchanges and provide a peaceful and pleasant work environment.





### **Effective financial reporting**

Financial management is an important aspect of risk control and management. The Group applies rigorous control and monitoring procedures, providing a clear and constantly updated view of business, particularly with regard to objectives and market evolution. The potential impacts of changes are periodically assessed through the analysis of various prospective scenarios to support the strategic and operational decision-making process. These procedures enable improved cost control, while they support the growth of business. They also result in a more systematic management of risk related to exchange rate fluctuations.



### **Human resources: key to future development**

The success of the Kudelski Group throughout the world owes much to the skills of employees in every sector: management, technology, sales, services, support and production. The Group's business growth is reflected in the proportional and steady expansion of the internal pool of talents.

In 2006, the company placed special emphasis on human resources management. A new Executive Board level position was created and several additional HR professionals with international experience were recruited to further strengthen the HR support team. The objective of HR is to better identify and manage talents internationally, and offer employees attractive professional and personal development opportunities.

Formally established in 2005 and intended both for employees and customers, the Kudelski Training Center is a great success. In 2006, the Center ran a further series of training programs. The courses provide participants with an in-depth knowledge of the pay television market, the technological challenges associated with this market and the solutions offered by the Group. The Training Center's laboratory room reproduces operators' actual configurations so that trainees can experience real-life technical complexity.



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