
Digital terrestrial television (DTT)

The Kudelski Group holds a strong position on the digital terrestrial market in Italy, in particular with the delivery in 2005 of a system to Mediaset, one of the world's largest media groups. The operator was the first to adopt pre-paid cards to offer consumers a very flexible access to its services. Mediaset's per-per-view football offering met with enormous success; today the prepaid cards give access to an ever wider array of services including movies and sports.

In 2006, the Group further expanded its leadership in the Italian digital terrestrial market with the signature of a new agreement with Espansione TV. This operator will deliver pay-per-view services over the Italian DTT platform using a Nagravision conditional access solution. The service will be based on the proven Nagravision business model enabling secure, anonymous access to selected content through pre-paid smart cards.

In England, TopUp TV, a digital terrestrial television operator using a Nagravision conditional access for its pay TV services, extended its offering with TopUpTV Anytime, the first DVR service on DTT. TopUp TV's agreement with Setanta to broadcast a sports channel including English Premier League matches strengthens TopUp TV's growth perspectives for 2007.

In France, Canal+ uses the Kudelski Group technology to secure a pay TV bouquet launched on DTT in October 2005.

NagraID

This company manufactures and personalizes the cards intended for the Group's digital TV and public access applications. It also produces cards for customers outside the Group.

NagraID has unique cold lamination know-how, a patented technology called NagraLAM, which allows the industrial inset of sophisticated electronic components such as batteries, LCD screens, LEDs, etc. into smart cards.

In 2006, NagraID obtained the EMV (EuroPay, MasterCard and Visa) certification which authorizes the production and personalization of debit and credit cards. Having a production site meeting the highest security requirements enables NagraID to stand out in new sectors, in particular the banking and governmental fields.

At the end of 2006, NagraID signed a three-year contract with Credit Suisse for the personalization of Maestro cards in Switzerland. The company is also carrying out other projects for Swiss and international companies, in particular in the identity cards sector.

With its proven competences in the integration of modules and microchips into cards, NagraID has contributed to the incipient success of the DisplayCard. This card is a means of identification in the ISO smart card format that delivers a dynamic password displayed on an LCD screen. To authenticate him or herself, the user must press a button on the card to receive a dynamic password in the form of a number. A new password is calculated with each press of the button. In order to access on-line services, the user must type this password together with his/her user name on his/her computer. This solution combines EMV banking standards and the banks' secure graphic requirements.

In 2006, NagraID concluded an exclusive contract with the American company Innovative Card Technologies Inc. for the manufacture of DisplayCards based on the InCard (LCD) technology. These cards are designed to secure on-line banking and purchasing transactions as well as data access.

Using NagraID's manufacturing process, Innovative Card Technologies will be the only company in the world to mass-produce a certified ISO card with an integrated liquid crystal display.