KUDELSKI GROUP
INTERIM REPORT 2009

NAGRA
KUDELSKI GROUP

KEY FIGURES FIRST HALF 2009 (UNAUDITED)

In CHF '000	January/ June 2009	January/ June 2008
Revenues and other operating income	453 980	424 206
Margin after cost of material	323 971	305 765
Margin after cost of material in % of revenues and other operating income	71.4%	72.1%
OIBDA [1]	35 584	11 732
OIBDA in % of revenues and other operating income	7.8%	2.8%
Operating income	8 456	-18 463
Operating income in % of revenues and other operating income	1.9%	- 4.4%
Net income	**483**	**-39 839**
Earnings per bearer share (in CHF)		
– basic	- 0.0821	- 0.8793
– diluted	- 0.0821	- 0.8793

[1] OIBDA: operating income before interest, taxes, depreciation and amortization

In CHF '000	30.06.2009	31.12.2008
Equity	569 038	568 578
Cash and cash equivalents	197 674	247 819
Market capitalization	949 268	585 263
Share price (in CHF)	17.97	11.17

Bearer shares and registered shares are included in the calculation of the market capitalization.

FIRST HALF 2009 HIGHLIGHTS

- More than 114 million active smartcards/devices
- Total revenues and other operating income reach CHF 454 million (+7%)
- CHF 8.5 million operating income (+CHF 27 million comparing to first half 2008)
- Strong resilience of the Public Access division and substantially stable economics in Middleware and Advertising
- Increasing footprint in Europe, South America and Asia with significant new client wins
- Positive outlook for the second half of 2009 with improved profitability; Upward revised guidance for the full year
- Significant innovations in TV 2.0

MESSAGE TO SHAREHOLDERS

In the first half, the Group's total revenues and other operating income grew by 7% compared to the same period of last year. This increase comes principally from the Digital TV activity (+12.2%), while other activities, more tightly correlated to the evolution of the world economics, have demonstrated resilience against a difficult environment.

The Group's profitability progressed positively during the first half of 2009 with an operating income of CHF +8 million reflecting simultaneously an improvement in the quality of the DTV division's revenues (improved product mix), the effect of the migration to the service mode and the careful management of the Group's cost base.

The performance of the first half is not a goal in itself but an important step allowing the Group to get back to a sustainable profitable growth. Since the end of the first half, all of the key DTV accounts that we had decided to migrate to the service mode are now operating in this mode and fully contribute to the Group's profitability. Out of our 114 million active smart cards/modules in use worldwide, about 57 million are now in service mode.

The year 2009 is important for us as our Group's solidity is being put to a test in a difficult economic environment. In particular, the core DTV activity is demonstrating the strength of its new business model, delivering growth and profitability despite a challenging environment.

With the transition to the service mode now completed, the Kudelski Group can fully focus on its strategic objectives which aim at ensuring sustained growth and profitability. As a reminder, the strategic objectives include gaining market share, offering new solutions to address new market segments and extending the realm of our competencies in order to provide more comprehensive turnkey solutions.

During the first half of 2009, the Kudelski Group worked in all three strategic directions resulting in several new important contracts throughout the world, the release of new concepts as part of the TV 2.0 experience and the deployment of integrated solutions. These include various product lines such as turnkey solutions, conditional access systems and interactive solutions.

In addition to business development activities, the Kudelski Group started to reap the fruit of its cost reduction initiatives, optimizing its structures and concluding important agreements with strategic partners. Finally, with the powerful development of its Beijing site, the Group is in a position to both strengthen its presence in this promising market and reduce its cost structure while leveraging on positive growth dynamics.

Perspectives for the full year are promising and we expect improved profitability compared to previous expectations due to positive developments in the core DTV activity. In parallel, the impact of the economic downturn on the Public Access and Middleware & Advertising businesses lead us to manage those activities carefully.

Eighteen months ago, the Kudelski Group took the risk to adopt a new approach to the digital television market to become stronger and better face future challenges. We are convinced that our Group is now particularly well positioned to fully benefit from an upturn in the world's economic situation thanks to solutions tailored to address new needs and to motivated teams.

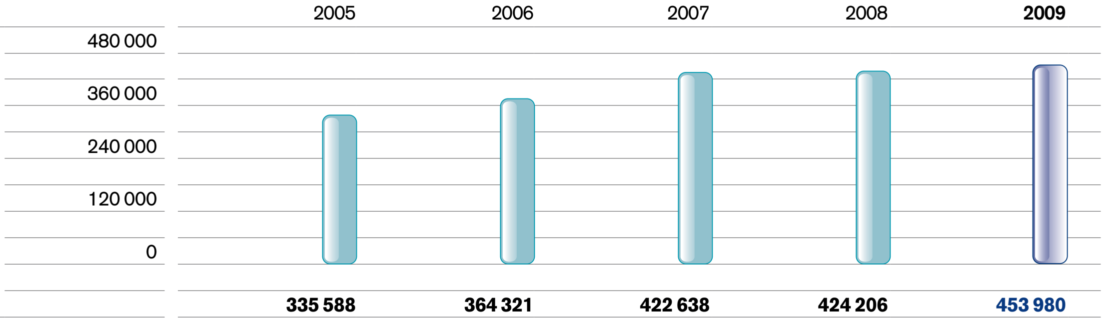
Finally, we would like to thank our employees for their efforts as well as our clients, partners and shareholders for the trust that they have placed in our Group, allowing it to take up new challenges every day.

André Kudelski

KEY FIGURES FIRST HALF 2009

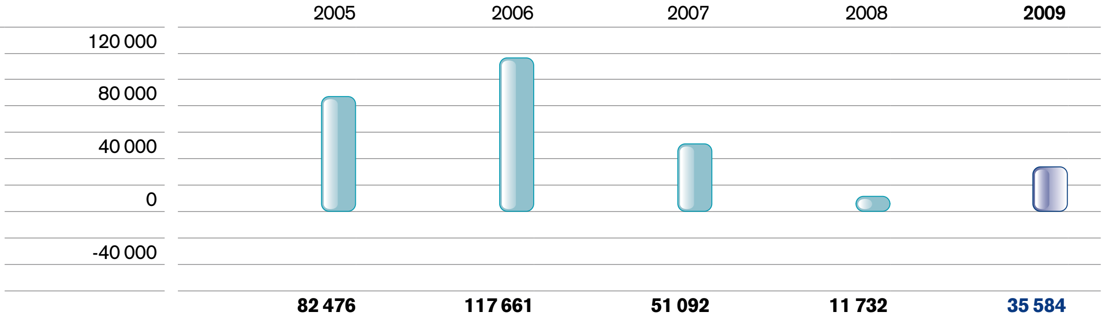
In CHF '000

Revenues and other operating income



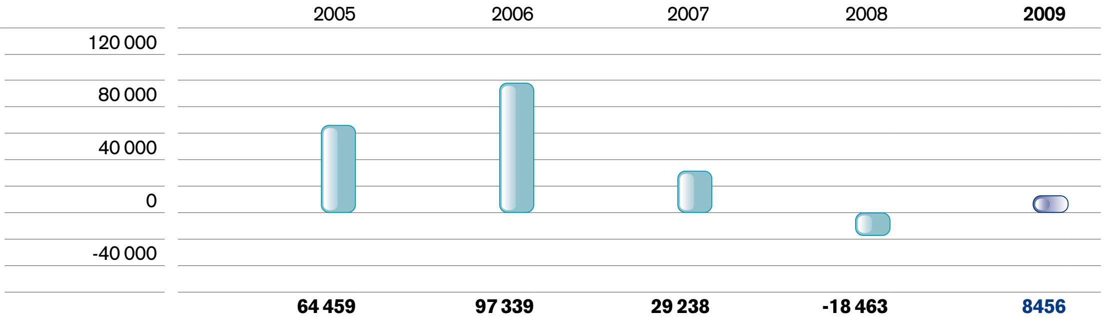
In CHF '000

OIBDA



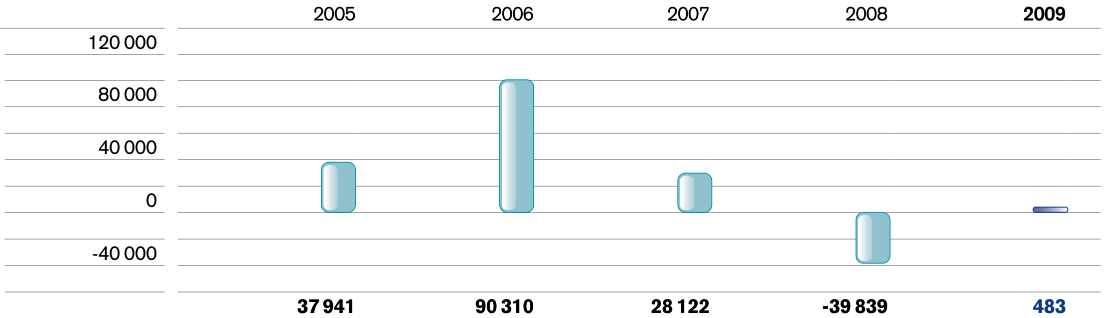
In CHF '000

Operating income



In CHF '000

Net income



FIRST HALF 2009 RESULTS

In the first half of 2009, the Group starts to reap the harvest of the migration of a significant share of the deployed card base to the service model. In 2008, the Group delivered over 25 million replacement smartcards to EchoStar, Bell and Sogecable. In the first months of this year, the migration was completed with the delivery of a further 6 million cards. Moreover, since June of this year, the cards deployed at EchoStar started to yield the full monthly fee.

With the completion of the transition to the service model, the Digital TV division has materially improved its operating profitability in this first half and is expected to further recover in the second half. Together with a strong resilience of our Public Access division and with substantially stable economics in Middleware and Advertising, this results in a growing revenue base and a material improvement of the Group operating profit.

Total revenues and other operating income are 7% higher than in the first half 2008, reaching CHF 454 million. With an operating income of CHF 8.5 million, the Group reversed the loss of last year's period, improving its operating margin by CHF 27 million. As the USD strengthening was compensated by a weakening EUR rate, currency effects in this first half are negligible.

RETURNING TO PROFITABILITY

Group revenues in this first half grew by 7%.

The "Margin after cost of material" (a pro forma non-IFRS item) is CHF 18.2 million higher, reaching CHF 324 million. While this translates into a percentage terms decline of 0.7% points compared to the same period of last year, this represents a solid margin, as the Group fully expenses the cost of the EchoStar swap cards delivered in the first half. Key enablers of this solid margin development were new agreements with strategic suppliers. Compared to the same period of last year, personnel expenses grew by CHF 8.3 million reaching CHF 185.2 million. In percentage terms, this represents a 4.7% increase. Most of this increase took place last year: compared to the second half 2008, the growth of personnel costs was limited to CHF 3 million. On the other hand, other operating expenses were CHF 14 million lower than in the first half 2008: in the same period of last year, the Group incurred CHF 16.5 million swap-out related one-off costs. Depreciation and amortization charges were at CHF 27.1 million, CHF 3.1 million lower than in the comparable period of last year. In this first half, the Group reached an operating income of CHF 8.5 million, representing a CHF 26.9 million increase from the first half 2008.

Net income for the first half year was marginally positive at CHF 0.5 million, consisting of a CHF 4.3 million loss of equity holders and a CHF 4.8 million gain for minority interests.

STRONG DIGITAL TV MOMENTUM

The Digital TV segment generated sales of CHF 301.3 million, delivering a strong 12.2%, growth rate. Profitability recovered with operating profit improving by CHF 33.2 million to reach CHF 20.9 million.

European net sales increased by 7.9% to CHF 168.0 million. Among the highlights of this first half, the Group Italian business did particularly well, both due to a strong growth of Mediaset Premium cards as well as increasing sales of SmarDTV Common Interface modules. Furthermore, Canal+ and TVCabo experienced high double digit growth rates compared to the same period of last year.

American net sales soared with a plus of 42.7%, as the final delivery of replacement cards at EchoStar more than compensated slower sales in Latin America. First half net sales in the Americas were discounted by the amortization of the capitalized monetary consideration related to the new EchoStar long-term contract.

Asian sales declined by 12.9% reaching CHF 43.6 million, as some large operators slowed down investments in new operations and for subscriber acquisition due to the economic downturn.

New business areas in aggregate have been growing at low two digit rates in this first half. However, the different business lines delivered a heterogeneous operating performance. On the positive side, the digital terrestrial business delivered a solid performance and mobile TV's top line doubled, yet still at a low absolute level. On the other hand, the IPTV revenue base remains limited and sales of CI modules and CAMs, while growing, suffered from the slow down in sales of TV sets. Overall, new business areas generated a single digit million loss.

RESILIENT PUBLIC ACCESS

While the economic downturn affected the Public Access business, the impact was restricted, as the decline of net sales was limited to CHF 4.2 million, Operating Income Before Depreciation and Amortization was down CHF 2.1 million and operating income was down CHF 3.2 million. The careful management of the Division's cost base was the key driver enabling the satisfying profitability development.

Public Access performed particularly well in Europe, with sales increasing by 2.1% compared to the first half 2008, while extra-European sales declined to an absolute level comparable to the first half 2007's.

In light of the customary seasonality of this business, Public Access is well in line to maintain a satisfactory profitability for the full year.

MIDDLEWARE AND ADVERTISING IN LINE WITH FIRST HALF 2008

The Middleware and Advertising top line growth for the first half was at 1.3%, with net sales reaching CHF 65.4 million. Asia/Pacific and Africa were the largest sales contributor at CHF 23.4 million, representing a strong growth of 22.6% compared to the first half 2008. On the other hand, both Europe and Americas were down by close to 8% compared to the previous half year, in line with a slow down in set-top box shipments at selected customers.

Middleware and Advertising segment contribution is regressing compared to the first half of last year, with an operating income at CHF 5.4 million, representing a decline of CHF 1.9 million compared to the first half 2008.

BALANCE SHEET AND CASH FLOW

As the delivery of replacement cards accounted for in the service model was completed last year and as the replacement cards delivered in this first half were expensed, tangible fixed assets are CHF 5.7 million lower than at the end of 2008.

In the first half, intangible assets increase by CHF 12 million. In addition to ordinary investments in technology and software, this increase is due to the acquisition of Freescale's Semiconductor CMOS Modulators and Silicon Tuner product lines.

The accounts receivables balance at CHF 345.4 million includes an EchoStar receivable to be netted out against the monetary consideration to be awarded to EchoStar upon the signature of a new multi-year agreement.

The Group cash position as of June 30 is down to CHF 197.7 million. In addition to an investment of excess cash in short-term marketable securities, the CHF 52.5 million reduction of payables due to faster payments of suppliers was the key driver leading to a lower cash position. Hence, cash flow from operating activities in the first half was slightly negative at minus CHF 2 million, while cash for investing activities amounted to CHF 40.1 million, including a net outflow of CHF 9.6 million for investments in financial assets.

OUTLOOK

With the completion of the migration of over 30 million smart cards to the service model early this year, the profitability of the Digital TV division has started to recover in this first half. In the second half-year, the division's operating performance will further improve, as it will fully benefit from the return on the installed base of cards in the service model.

The Public Access and the Middleware and Advertising divisions have shown an overall bottom line stability in this first half, with a performance substantially in line with the previous year. While we do not anticipate a short-term reversion to historical market growth rates, we expect both divisions to maintain their respective momentum in this second half.

In spite of the slower than expected top line development in some areas, the successful management of the mass transition to the service model and the tight control over the Group cost base result in an improvement of the profitability outlook for the full year.

CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009 AND 2008 (UNAUDITED)

In CHF'000	January/ June 2009	January/ June 2008
Revenues	447 608	418 386
Other operating income	6 372	5 820
	453 980	**424 206**
Cost of material	-130 009	-118 441
Employee benefits expense	-185 167	-176 852
Other operating expenses	-103 220	-117 181
Operating income before depreciation, amortization and impairment	**35 584**	**11 732**
Depreciation, amortization and impairment	-27 128	-30 195
Operating income	**8 456**	**-18 463**
Interest expense	-7 031	-6 797
Other finance income/(expense), net	1 682	-9 930
Share of results of associates	434	292
Income/(loss) before tax	**3 541**	**-34 898**
Income tax expense	-3 058	-4 941
Net income/(loss) for the period	**483**	**-39 839**
Attributable to:		
– Equity holders of the company	-4 335	-46 034
– Minority interest	4 818	6 195
	483	**-39 839**

EARNINGS PER SHARE (UNAUDITED)

In CHF	January/ June 2009	January/ June 2008
Earnings / (loss) per bearer share		
– basic	-0.0821	-0.8793
– diluted	-0.0821	-0.8793
Earnings / (loss) per registered share (not listed)		
– basic	-0.0082	-0.0879
– diluted	-0.0082	-0.0879

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

In CHF'000	January/ June 2009	January/ June 2008
Net income / (loss)	483	-39 839
Currency translation differences	4 836	-26 371
Net gain / (loss) on available-for-sale financial assets	-241	-135
Total comprehensive income for the period	**5 078**	**-66 345**
Attributable to:		
– Equity holders of the company	-688	-62 143
– Minority interest	5 766	-4 202
	5 078	**-66 345**

CONSOLIDATED BALANCE SHEETS AT JUNE 30, 2009 AND DECEMBER 31, 2008 (UNAUDITED)

ASSETS

In CHF'000	30.06.2009	31.12.2008
Non-current assets		
Tangible fixed assets	159 813	165 537
Intangible assets	251 100	239 146
Investments in associates	6 089	5 563
Deferred income taxes	50 555	51 856
Financial assets and other non-current assets	60 529	63 195
Total non-current assets	**528 086**	**525 297**
Current assets		
Inventories	92 149	97 350
Trade accounts receivable	345 395	353 932
Other current assets	62 563	60 974
Financial assets (short term)	22 378	8 993
Cash and cash equivalents	197 674	247 819
Total current assets	**720 159**	**769 068**
Total assets	**1 248 245**	**1 294 365**

EQUITY AND LIABILITIES

In CHF'000	30.06.2009	31.12.2008
Capital and reserves		
Share capital	528 252	523 960
Reserves	-71 206	-61 077
Treasury shares	-380	-380
Equity attributable to equity holders of the parent	**456 666**	**462 503**
Minority interest	112 372	106 075
Total equity	**569 038**	**568 578**
Non-current liabilities		
Long-term financial debt	362 933	364 180
Deferred income tax liabilities	4 531	5 088
Employee benefits liabilities	23 611	21 706
Provisions for other liabilities and charges	8 139	8 009
Other long-term liabilities	3 192	5 429
Total non-current liabilities	**402 406**	**404 412**
Current liabilities		
Short-term financial debt	78 099	78 904
Trade accounts payable	61 226	113 701
Other current liabilities	106 799	104 022
Current income taxes	2 706	2 645
Advances received from clients	22 184	12 587
Derivative financial instruments	–	2 522
Provisions for other liabilities and charges	5 787	6 994
Total current liabilities	**276 801**	**321 375**
Total liabilities	**679 207**	**725 787**
Total equity and liabilities	**1 248 245**	**1 294 365**

CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009 AND 2008 (UNAUDITED)

In CHF'000	January/ June 2009	January/ June 2008
Net income/(loss) for the period	**483**	**-39 839**
Adjustments for:		
Current and deferred income tax	3 059	4 941
Interest expense and other finance income / (expense), net	-3 877	13 110
Allocation of the equity conversion component and transaction costs of convertible bonds	2 825	2 750
Depreciation, amortization and impairment	27 128	30 195
Change in fair value of financial assets at fair value through profit or loss	-2 196	-483
Share of result of associates	-434	-292
Dividends received from associated companies	781	808
Non-cash employee benefits expense	5 027	4 620
Other non cash income/expenses	-420	1 098
	32 376	**16 908**
Change in inventories	6 409	-7 527
Change in trade accounts receivable	10 335	-4 257
Change in trade accounts payable	-54 708	-3 496
Change in deferred costs (short and long term portions)	-1 872	-6 752
Change in other net current working capital headings	12 498	25 968
Interest paid	-1 301	-1 164
Interest received	721	4 093
Income tax paid	-6 477	-8 209
Cash flow from operating activities	**-2 019**	**15 564**
Purchases of intangible fixed assets	-14 828	-13 356
Purchases of tangible fixed assets	-14 011	-36 819
Proceeds from sales of tangible and intangible fixed assets	873	1 547
Investment in financial assets	-15 691	-3 826
Divestment of financial fixed assets and loan reimbursement	6 146	16 907
Acquisition of subsidiaries, cash outflow	-1 819	-32 628
Acquisition of associated companies	-761	–
Cash flow used in investing activities	**-40 091**	**-68 175**
Change in bank overdrafts, long term loans and other non-current liabilities	-6 398	58 063
Proceeds from employee share purchase program	62	301
Increase of capital in a subsidiary by minority interest	–	1 258
Cash received from exercise of stock options	24	11
Dividends paid to minority interest	-45	-37
Dividends paid to shareholders	-7 921	-15 703
Cash flow used in/from financing activities	**-14 278**	**43 893**
Effect of foreign exchange rate changes on cash and cash equivalents	6 243	-19 590
Net increase (decrease) in cash and cash equivalents	**-50 145**	**-28 308**
Cash and cash equivalents at the beginning of the period	247 819	278 140
Cash and cash equivalents at the end of the period	197 674	249 832
Net increase (decrease) in cash and cash equivalents	**-50 145**	**-28 308**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

In CHF'000	Share capital	Share premium	Retained earnings	Fair value and other reserves	Currency translation adjustment	Treasury shares	Minority interest	Total equity
January 1, 2008	**521 594**	**59 761**	**-86 975**	**33 478**	**-7 465**	**-380**	**105 542**	**625 555**
Total comprehensive income for the period	**–**	**–**	**-46 034**	**-43**	**-16 066**	**–**	**-4 202**	**-66 345**
Employee share purchase program	328	46						374
Employee stock option plan			48					48
Exercise of stock options by employees								–
Shares issued for employees	1 915	183						2 098
Dividend paid to shareholders			-15 703					-15 703
Minority interest arising on business combinations							1 258	1 258
Impact of transactions with minority interests			-4 356				-836	-5 192
Impact of subsidiaries share based payments			460				975	1 435
Dividends paid to minority interests							-37	-37
June 30, 2008	**523 837**	**59 990**	**-152 560**	**33 435**	**-23 531**	**-380**	**102 700**	**543 491**
January 1, 2009	**523 960**	**59 981**	**-121 113**	**30 717**	**-30 662**	**-380**	**106 075**	**568 578**
Total comprehensive income for the period			**-4 335**	**-78**	**3 725**		**5 766**	**5 078**
Employee share purchase program	74	-5						69
Employee stock option plan								–
Shares issued for employees	4 218	-1 766						2 452
Dividend paid to shareholders			-7 921					-7 921
Minority interest arising on business combinations								–
Impact of transactions with minority interests			-17				17	–
Impact of subsidiaries share based payments			268				559	827
Dividends paid to minority interests							-45	-45
June 30, 2009	**528 252**	**58 210**	**-133 118**	**30 639**	**-26 937**	**-380**	**112 372**	**569 038**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009 (UNAUDITED)

1. BASIS OF PREPARATION

These condensed interim financial statements were prepared in accordance with International Accounting Standard (IAS 34), Interim Financial Reporting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were prepared under the historical cost convention, except for items to be recorded at fair value.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2008, except those described below.

The Group has adopted for the first time the following new standards and amendments to standards for the financial year beginning January 1,2009:

- IAS 1 (amendment), Presentation of financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- IFRS 8, Operating segments. IFRS 8 replaces IAS 14, Segment reporting. It requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in an increase of reportable segments presented.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group:

- IAS 23 (amendment), Borrowing costs.
- IFRS 2 (amendment), Share-based payment.
- IAS 32 (amendment), Financial instruments: Presentation.
- IFRIC 13, Customer loyalty programmes.
- IFRIC 15, Agreements for the construction of real estate.
- IFRIC 16, Hedges of a net investment in a foreign operation.
- IAS 39 (amendment), Financial instruments: Recognition and measurement.

3. SEASONALITY

Seasonality impacts the business segments as follows:

DIGITAL TELEVISION SOLUTIONS:

In the Digital Television Solutions business, Christmas sales usually lead to higher volumes for some of our clients and therefore higher revenues for the Group.

PUBLIC ACCESS:

SkiData has strong seasonal revenue variations in particular in the ski access business as it earns most of its revenues in the fourth quarter.

MIDDLEWARE & ADVERTISING

In the Middleware business, Christmas set-top-box sales are usually higher, resulting in higher revenues in the last quarter and in the first quarter of the following year due to the time lag of royalty reports. There is no seasonality in the Advertising business.

Furthermore, the Digital Television Solutions business may be subject to abnormal seasonality due to bulk orders of smart cards from large customers (e.g. for swap outs) which can also substantially impact annual revenues.

4. BUSINESS COMBINATIONS

CORRECTION OF PREVIOUS PURCHASE PRICE

On September 17, 2008, OpenTV acquired 100% ownership of RuzzTV, Australia. During the first half 2009, the Group paid a cash consideration of AUD 0.2 million (CHF 0.2 million) and the contingent consideration has been adapted within one year of the acquisition to reflect new best management estimates of the amounts to be paid. Hence, an additional goodwill of CHF 0.4 million and a contingent consideration amounting to CHF 0.2 million have been considered while establishing the interim 2009 financial statements.

TRANSACTIONS WITH MINORITY INTERESTS

Share based payments and exercise of options at OpenTV Corp are treated as transactions with minority interests and led to a dilution effect amounting to kCHF 17 recognized in equity.

CONTRIBUTION AND PRO FORMA DATA INCLUDING BUSINESS COMBINATIONS FOR THE PERIOD ENDED JUNE 30, 2009

No business combinations occured during the period under review.

5. ISSUANCES OF EQUITY SECURITIES

SHARES ISSUED FOR EMPLOYEES

As of June 30, 2009, 421 816 bearer shares of Kudelski SA were distributed to employees as part of their remuneration of which 331 444 shares include a seven year blocking period and 78 569 shares include a 3 year blocking period. The fair value recognized for this equity based compensation is kCHF 2 452 and was fully accrued in the prior year.

EMPLOYEE SHARE PLAN

As of June 30, 2009, 7 380 bearer shares were underwritten by employees according to the articles of the Employee Share Plan. The attributable expense in the income statement is kCHF 7 for the bearer shares.

EMPLOYEE STOCK OPTION PLAN

As of June 30, 2009, employees have exercised no options for bearer shares.

6. PAID DIVIDEND

On May 4, 2009, the Group paid a dividend of CHF 0.15 per bearer share and CHF 0.015 per registered share. The dividend amounts to kCHF 7 921.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009 (UNAUDITED)

7. PRINCIPAL CURRENCY TRANSLATION RATE

	Period end rates used for the consolidated balance sheets		Average rates used for the consolidated income and cash flow statements	
	30.06.2009	31.12.2008	30.06.2009	30.06.2008
1 USD	1.085	1.070	1.129	1.050
1 EUR	1.525	1.490	1.505	1.606

8. SEGMENT INFORMATION

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker.

Group operating segments represent strategic business units that offer different products and services for which internal reporting is provided to the chief operating decision maker. The chief operating decision maker reviews internal reports in order to allocate resources to the segment and to assess its performance.

The Group is organized operationally on a worldwide basis in 3 operating segments:

- Digital Television Solutions
- Public Access
- Middleware & advertising

These operating segments, which are reflected in internal management reporting, can be described as follows:

The Digital TV division provides open conditional access solutions allowing digital TV operators and content providers to operate a wide range of high value-added pay TV services on a secure platform.

The Public Access division provides access control systems and ticketing services for ski lifts, car parks, stadiums, concert halls and important events as well as multifunctional cards for universities and corporations.

The Middleware & Advertising division provides middleware software, applications, including advanced advertising and interactive services as well as professional services for digital and interactive television.

Income and expenses relating to Corporate include the costs of Group Headquarters and the items of income and expense which are not directly attributable to specific divisions. These elements are reported under the "Corporate common functions"

The measure of income statement presented to manage Segment performance is the segment operating income/(loss). Segment operating income/(loss) is based on the same accounting policies as consolidated operating income/loss except that inter-segment sales are eliminated only at the consolidation level.

Reportable segment assets include Total assets allocated by segment with the exclusion of Intersegment balances which are eliminated. Unallocated assets include assets that are managed on a central basis. These are part of the reconciliation to Balance sheet assets.

The adoption of IFRS 8 does not materially impact the Group's Segment information.

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the requirements of IFRS 8.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009 (UNAUDITED)

In CHF'000	Operating divisions Digital Television Solutions January/June 2009	January/June 2008
Total segment Revenues	**302 715**	**270 189**
Inter-segment revenues	-1 422	-1 545
Revenues from external customers	**301 293**	**268 644**
Operating income/(loss)	**20 939**	**-12 215**
Corporate common functions		
Interest expense and other Finance income/(expense), net		
Share of result of associates		
Income/(loss) before tax		
	30.06.2009	31.12.2008
Total segment Assets	**772 812**	**804 204**

In CHF'000	30.06.2009	31.12.2008
Total Segment Assets	1 237 818	1 282 953
Cash & Cash equivalents	5 677	7 018
Other current assets	2 091	1 764
Financial assets and other non-current assets	2 659	2 630
Total Assets as per Balance Sheet	**1 248 245**	**1 294 365**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2009 (UNAUDITED)

Public Access		Middleware & Advertising		Total	
January/June 2009	January/June 2008	January/June 2009	January/June 2008	January/June 2009	January/June 2008
80 910	**85 177**	**70 400**	**68 954**	**454 025**	**424 320**
-14	-29	-4 981	-4 360	-6 417	-5 934
80 896	**85 148**	**65 419**	**64 594**	**447 608**	**418 386**
-7 388	**-4 158**	**5 387**	**7 320**	**18 938**	**-9 053**
				-10 482	-9 410
				-5 349	-16 727
				434	292
				3 541	**-34 898**
30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	31.12.2008
177 140	**200 588**	**287 866**	**278 161**	**1 237 818**	**1 282 953**

AGENDA 2010

Release of 2009 financial results	26 February 2010
Annual general meeting	4 May 2010

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DISCLAIMER

This document contains forward-looking statements, including, but not limited to, statements that are predications of or indicate future events, trends, plans or objectives. These statements are subject to known and unknown risks and uncertainties and could be affected by other factors that could cause actual results, plans and objectives to differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, performance of financial market, competitive factors and changes in laws and regulations.

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