

# A record year for the Kudelski Group

Kudelski Group  
Annual report 2004

In 2004, the Kudelski Group delivered best-ever results, with record-breaking revenues and net profit.

Total revenues increased by over 50% to reach CHF 619 million. EBIT reached the record level of CHF 101.5 million. Net income also registered strong growth more than doubling compared to 2003 to reach CHF 77.2 million, while operating cash flow reached CHF 81.7 million.

## Digital television driving record results

Revenues were up by 93% compared to 2003, thanks to 50% organic growth and the consolidation of MediaGuard. European sales more than tripled to reach CHF 196.8 million and sales in the Americas increased by 88% to CHF 177.4 million. The EBIT margin of the Digital TV unit was CHF 116.8 million.

R&D spending on digital TV increased to 29.5% of digital TV revenues, enabling the Groupe to accelerate the development of new solutions.

The Group launched several portfolio streamlining initiatives in the Digital TV entity. It sold its ownership stake in Logiways while maintaining a business partnership and keeping full control over all relevant intellectual property rights secured by the company in the Group's activity sector. Livewire, a US-based subsidiary, was integrated into Nagravision in the US in early 2005 to rationalize the cost base and to strengthen the Group set-top box strategy.

The Group also exited from Nagra Futuris, a joint-venture in the Digital Audio Broadcasting market, while maintaining property rights over a set of promising patents in the new TV-over-mobile network market.

Revenues from Public Access activities grew slightly by 3% in 2004, however achieving a negative EBIT of CHF 3.7 million. The Group launched an efficiency improvement program for this entity.

	2004	2003	2002	2001	2000	1999
Financial data in kCHF						
Total revenue	<b>619 046</b>	412 392	402 355	455 445	359 527	214 737
ACMS Margin <sup>(1)</sup>	<b>426 326</b>	254 948	250 033	269 794	178 316	103 371
OIBDA <sup>(2)</sup>	<b>141 137</b>	32 229	8 608	99 172	86 820	48 501
EBIT <sup>(3)</sup>	<b>101 499</b>	10 063	-32 022	82 973	75 405	40 388
Net profit	<b>77 195</b>	33 167	10 031	72 086	66 618	35 427
Equity, including minority interests	<b>302 784</b>	205 853	580 910	580 851	639 156	154 208
Net cash	<b>-15 398</b>	-11 109	397 421	364 114	543 611	58 663
Payroll <sup>(4)</sup>	<b>1 439</b>	1 400	1 220	1 173	425	239

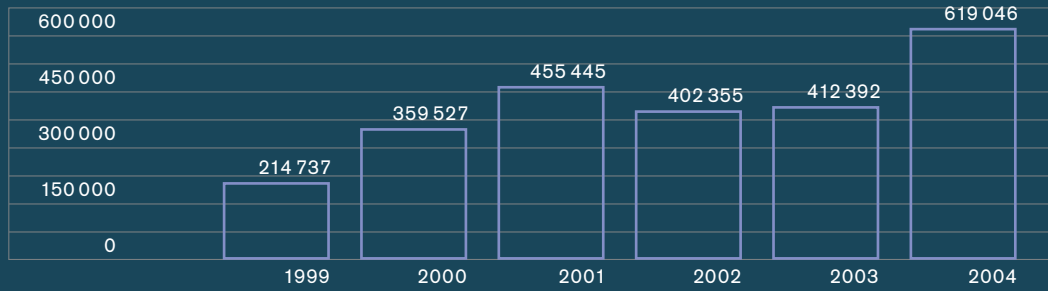
<sup>(1)</sup> ACMS Margin: margin on goods and components sold

<sup>(2)</sup> OIBDA: operating income before interest, taxes, depreciation and amortization

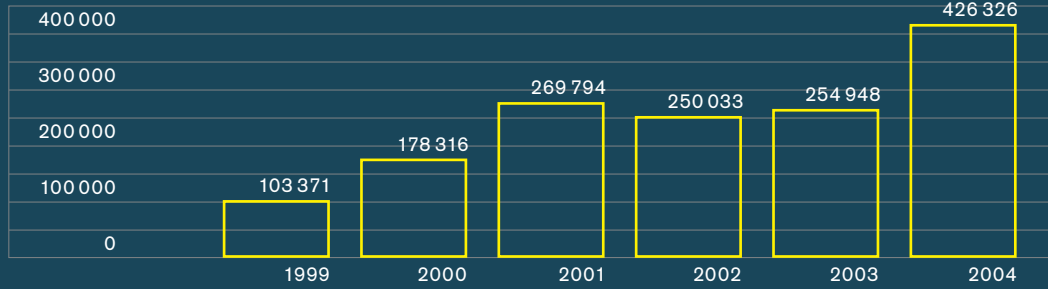
<sup>(3)</sup> EBIT: operating income

<sup>(4)</sup> Payroll: as of 31 December in each year.

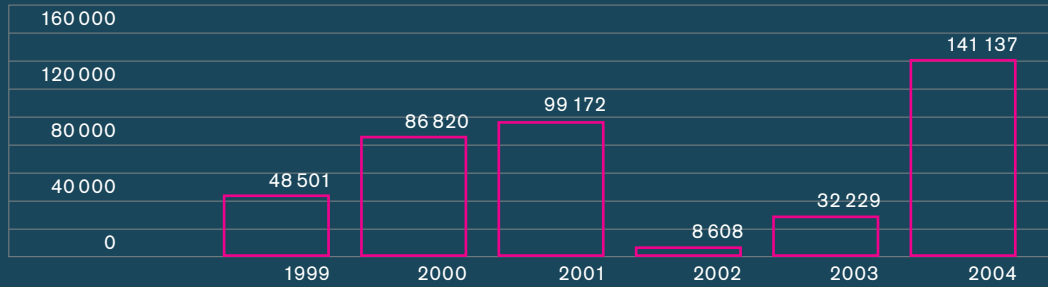
Total revenue



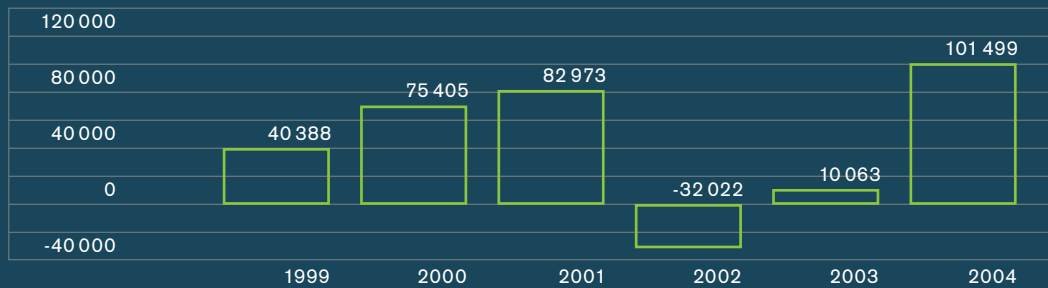
ACMS Margin



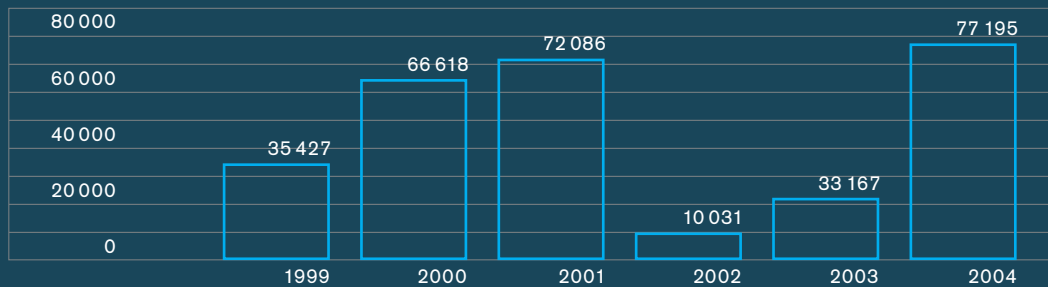
OIBDA



EBIT



Net profit



Net cash

