

## **NDS REJECTS ECHOSTAR LAWSUIT AS BASELESS**

**London, UK – September 30th, 2002** - NDS today described the allegations contained in the intervention filed against it by EchoStar/NagraStar on Friday 27<sup>th</sup> September 2002 in the Californian Court, as baseless and nothing more than an attempt by a competitor to harm NDS - the world's leading supplier of conditional access systems for pay TV.

NDS President and CEO Dr. Abe Peled said: "NDS had nothing to do with the piracy of EchoStar's DBS system, or any other system. We have a long-standing commitment to eradicating piracy from the entire conditional access industry and have spent millions of dollars and thousands of man hours towards that goal."

EchoStar/NagraStar have not actually filed a lawsuit against NDS. Instead, they have asked the United States District Court for the Northern District of California to allow them to participate in the lawsuit brought early this year by NDS competitor Canal+ Technologies. EchoStar's proposed complaint, with its repeated reliance on allegations made "on information and belief", strongly suggests that EchoStar has no evidence to support any allegation that NDS participated in the significant piracy problem that EchoStar/NagraStar have experienced since 1998.

Dr. Peled added, "The proposed EchoStar/NagraStar complaint is basically a repetition of Canal+'s groundless lawsuit, which was filed over six months ago. If this complaint were really about remedying a wrong done to EchoStar and NagraStar, it would have been brought sooner. EchoStar and NagraStar are bringing this lawsuit now in an obvious attempt to distract attention from the numerous problems of those involved with EchoStar and NagraStar and to harm NDS."

NagraStar joint venture partner Kudelski Group, a principal NDS competitor, recently announced to the investment community that it will miss its financial projections by a wide margin. Additionally, within the last few days, it was widely reported that two federal agencies may block EchoStar's merger with DIRECTV. NDS's parent company News Corporation has in the past made several attempts to acquire DIRECTV.

Dr. Peled concluded, "NagraStar has simply been unable to compete with NDS and its superior products. Now they are resorting to frivolous litigation in an attempt to harm NDS and thwart legitimate competition. NDS will not be distracted from focusing on its business of supporting its customers worldwide as well as striving to add new ones."

**About NDS**

NDS Group plc (NASDAQ/NASDAQ Europe:NNDS) is a leading supplier of open end-to-end digital pay TV solutions for the secure delivery of entertainment and information to television set-top boxes and personal computers. See [www.nds.com](http://www.nds.com) for more information about NDS.

*Cautionary Statement Concerning Forward-Looking Statements*

*The statements contained in this release which are not historical facts may constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements relate to the plans, projections or future performance of NDS, which involve certain risks and uncertainties, including risk of market acceptance, the effect of economic conditions, possible regulatory changes, technological developments, the impact of competitive pricing and the ability of NDS and its commercial partners to develop systems and solutions which meet the needs of the broadcasting industry in a timely and cost-efficient manner, as well as certain other risks and uncertainties which are detailed in NDS' filings with the SEC. Company or product names have been used for identification purposes only and may be the trademarks or registered trademarks of their respective companies.*

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