

## **NDS AND PACE COLLABORATE TO PROVIDE SECURE VIDEO-ON-DEMAND AND IP TELEVISION**

***NDS's Synamedia™ broadband TV and VOD solution demonstrated with Pace's DSL4000 digital home gateway***

**NAB Booth S4119 (Sands), Las Vegas, NV – April 23, 2001** - NDS Group plc (NASDAQ/NASDAQ Europe: NNDS), a News Corporation (NYSE: NWS, NWS.A) company and the leading provider of conditional access systems and interactive applications for digital TV, and Pace Micro Technology plc, the world's largest dedicated developer of digital home gateway technology, have joined forces to develop secure video-on-demand (VOD) and IP Television.

The joint solution utilizes Pace's DSL4000 digital home gateway which will decode encrypted VOD and IP Television delivered from NDS's Synamedia™ solution. Valuable video content is encrypted to prevent it being freely distributed over broadband IP networks. The NDS Synamedia architecture delivers encrypted, digital TV and VOD over ADSL (Asymmetric Digital Subscriber Line) or other broadband networks. It extends NDS's successful XTV™ personal TV system to support broadband IP networks and VOD servers.

"Our collaboration with Pace will enable broadband pay TV operators to offer television and video-on-demand content securely to the Pace home gateway," said Nigel Smith, Director, Broadband Internet, NDS Group plc. "In the broadband IP world it is essential that valuable video content is protected at every step in the IP network and this is why we have incorporated NDS's Open VideoGuard™ content protection system in to the DSL4000."

"Content protection is vital to the success of any pay entertainment platform, and VOD and IP television are no exceptions," said Andrew Clifforth, managing director IP television at Pace Micro Technology. "Our partnership with NDS, combining their Synamedia solution with our DSL4000 home gateway is an effective solution for secure content distribution over DSL networks. Content providers can have even more confidence in IP television, which I'm sure will mark a new phase in the growth of entertainment over IP."

### **The main advantages of the NDS Synamedia system are:**

For the operator, Synamedia allows broadband pay TV operators to offer high quality VOD and TV securely by using encryption provided by the Open VideoGuard content protection system. Synamedia ensures that the operator can deliver top quality content to the user and safeguards revenues for operators and content owners.

Synamedia extends NDS's successful XTV personal TV system to support broadband IP networks and VOD servers. It uses the same meta data technology to offer operators and advertisers the ability to target or personalize their programming and advertising.

For the viewer, Synamedia allows the consumer's favorite TV shows and movies to be presented through a personalized content guide interface. Movies can be ordered, paused and fast forwarded on demand. A consumer can also select the next scene or highlights that may have been missed.

The Pace DSL4000 enables multichannel digital broadcast television, video-on-demand, high-speed Internet access and other interactive entertainment services to be received over standard broadband networks. The DSL4000 features high quality MPEG-2 decoding and an Ethernet interface. The television services are delivered over IP protocol and are video-server neutral. Other features of the DSL4000 improve network capability through video scaling and positioning; increase control of video functions using HTML, Javascript, RTSP, and plug-ins; and minimize network management costs by multicasting software downloads to any or all set-top boxes in a deployment. The DSL4000 has been deployed by several operators worldwide.

### **About Pace Micro Technology**

Pace Micro Technology plc is a pioneer of digital technology for the home and has helped build the global market for pay television services. Using this expertise, Pace is evolving the set-top box into a sophisticated home gateway to enable revenue-generating services for TV and the networked home. In this networked home, the Pace home gateway is the portal for entertainment and interactive communications around the home and with the outside world.

Pace analog and digital technology has been installed in over 13 million homes worldwide since it was founded in 1982. The company is now actively involved in all digital platforms - satellite, terrestrial, cable, wireless and xDSL - through relationships with broadcasters, network operators and technology partners in the UK, USA, Europe, Latin America, Australasia and the Far East. These achievements were made possible through the commitment of Pace's 1,300 strong workforce, over a third of whom are research and development engineers, dedicated to the development of digital technology for the home and small and home office markets.

Pace's head office is in Shipley West Yorkshire, with further offices in Bracknell, Cambridge, the USA and Hong Kong. The company's shares are traded on the London Stock Exchange (PIC). Pace's U.S. operations are based in Boca Raton, Fla. For further information, please visit Pace's web site at <http://www.pacemicro.com>.

**About NDS**

NDS Group plc is a leading supplier of open conditional access software and interactive systems for the secure delivery of entertainment and information to television set-top boxes, and personal computers. The company also develops secure datacasting solutions for the distribution of data and multimedia. See [www.nds.com](http://www.nds.com) for more information.

*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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