



AXALTO HOLDING N.V.

Limited liability company (*naamloze vennootschap*) under Dutch law, with corporate seat in Amsterdam, The Netherlands and address at Koningsgracht Gebouw 1, Joop Geesinkweg 541-542, Amstel Business Park, Amsterdam, The Netherlands

Main characteristics of a share capital increase by Axalto Holding N.V. of a maximum of 535,000 shares, reserved to employees of the Axalto Holding N.V. group subscribing or not to the group's savings plan

Issuer:	Axalto Holding N.V. (“ Axalto ” or the “ Company ”), a company incorporated under Dutch Law whose shares are listed on the Foreign Compartment of the Eurolist of Euronext Paris.
Number of shares offered:	535,000 ordinary shares of par value of 1 euro each (the “ New Shares ”).
Date of listing and trading of the New Shares:	The New Shares will be listed on the Eurolist of Euronext Paris as soon as possible after the capital increase, on the same line as the existing shares.
Subscription price:	The subscription price per New Share will be equal to 85% of the lowest of (i) the closing share price of the Axalto share on the Eurolist of Euronext Paris the first day of the subscription period (June 20, 2005) and (ii) the closing share price of the Axalto share on the Eurolist of Euronext Paris the last day of the subscription period (July 1, 2005), such subscription price not being in any event higher to 21.80 euros (<i>i.e.</i> , the average of the closing share price of the Axalto share on the Eurolist of Euronext Paris during the 20 trading days prior to February 25, 2005, that is the date on which the Company resolved upon the opening date of the subscription period) nor inferior to 17.44 euros (<i>i.e.</i> , 80% of such average).
Dividend rights date:	The New Shares will offer dividend rights as of January 1, 2005.
Subscription period:	The subscription period of the New Shares will open on June 20, 2005 and end on July 1, 2005 incl.
Subscription modalities:	Subscription to the New Shares will be open to those employees to whom this capital increase is reserved to, either directly or through the <i>FCPE Axalto Actions Relais</i> .
Date of the capital increase:	The capital increase is scheduled to take place on July 26, 2005.
Shareholding:	The New Shares can be held in two ways: (i) as registered shares (the shareholders are included in the Company's shareholders register), or (ii) in an account with an account holder or intermediary through Euroclear France S.A.

- Lock-up period:** French employees participating in the offering will have to hold their shares in the *FCPE Axalto Actions Relais* for at least five years, unless an anticipatory unlock event takes place, as provided by French law and the group's saving plan of the Company.
- Non-French employees participating in the offering will have to hold their New Shares for one year as from the settlement date (*i.e.*, until July 29, 2006), as mentioned in the subscription forms and information documents provided to such employees.
- Share price:** Extreme closing share price from January 1, 2005 to June 16, 2005: 18.87 euros and 26.14 euros.

The final subscription price, the number of New Shares to be issued and the net result of the offering will be announced by the Company by way of press release.

The prospectus of this offering includes:

- a *document de référence* related to the period that ended on December 31, 2004 registered by the French *Autorité des marchés financiers* on May 13, 2005 under number R. 05-056; and
- a *note d'opération* registered by the French *Autorité des marchés financiers* on May 17, 2005 under number 05-567.

Copies of the French version of the prospectus are available free of charge from Axalto International S.A.S., the French subsidiary of Axalto Holding N.V., 50 avenue Jean Jaurès - 92120 Montrouge, France as well as on Axalto's website (<http://www.axalto.com>) and on the website of the French *Autorité des marchés financiers* (<http://www.amf-france.org>).

The legal announcement will be published in the French *Bulletin des Annonces légales obligatoires* dated June 22, 2005.