



Strategic Partnership Between Axalto and MAK Reinforces Role of Smart Card Technology in Middle East

Axalto and Al Kharafi Group of Kuwait form alliance to build a smart card plant in Egypt

Cairo, April 11, 2005 – Axalto (Euronext NL0000400653 AXL), the world's leading provider of microprocessor cards, forms strategic partnership with major industrial player in Middle East region, Al Kharafi Group of Kuwait (MAK). This industrial and commercial alliance involves the building of a smart card plant nearby Cairo, Egypt, by 2005, combining the companies' respective and recognized skills in smart card technology and industrial manufacturing.

Under this partnership, Axalto will contribute its know-how in smart card technology and manufacturing process to enable MAK to manufacture the cards and run the plant in compliance with the highest quality standards.

Al Kharafi Group is a well established industrial group, whose worldwide activities cover construction, insurance/banking investments and industrial manufacturing in various domains such as leisure/tourism, market research, IT and telecommunications. Their will to foster entrepreneurial spirit and reinforce their presence in the high technology market led them to look for reliable expert in smart card technology, and selected Axalto to benefit from a strong technology partner.

“Our partnership with MAK is highly valuable for Axalto as it will contribute to refine our presence in the Middle East market based on the experience of a forefront company in this region” comments Claude Dahan, vice president and general manager of Axalto. Sharing the same dedication to understanding customers' needs was clearly a key common skill and helped both parties reach agreement promptly”.

“MAK has a strong track record in turning business opportunities into market by itself, says Eng. Ibrahim Saleh, Manager at Al Kharafi Group of Kuwait. Which is why, when looking to diversify our activity in the high-tech market, we needed the best possible partner. Our decision to work with Axalto was of course based on its expertise in smart card technology and most importantly on its international reputation as a reliable high-tech partner. We are confident in the future as we chose the partner that best illustrates/matches our own standards of quality and customer satisfaction to deploy new business”.

About Axalto

Axalto (Euronext: NL0000400653 AXL) is the world's leading provider of microprocessor cards (Gartner Dataquest 2004) — the key to digital networks — and a major supplier of point-of-sale terminals. Its 4500 employees come from 70 nationalities and serve customers in more than 100 countries, with worldwide sales reaching 3 billion smart cards to date. The company has 25 years' experience in smart card innovation and leads its industry in security technology and open systems.

Axalto continuously creates new generations of products for use in a variety of applications in the telecommunications, finance, retail, transport, entertainment, healthcare, personal identification, information technology and public sector markets. Microprocessor cards provide convenience, security and privacy to public and private services operators, their customers and end users.

For more info, please visit www.axalto.com

About Al Kharafi Group of Kuwait

Al Kharafi is multinational, multifaced group with a wide Variety of interest with roots that are embedded in Kuwait (and have been for over 100 years) but operate world wide. The activities covered are those in constructions, banking insurance, industry, leisure, industrial manufacturing, commercial, food & Fashion, Travel and Tourism. Working in more then 30 countries all over the world.

Al Kharafi manufacturing areas cover a diverse range of products from pre-fabricated homes to brakes on mobility and plastic products. The pre-fabricated homes which includes palaces and seaside villas uses many aluminum components, most of which are fashioned in Al Kharafi factories. They extrude aluminum at our factories in Kuwait and Egypt for a huge range of products including windows and door frames. They make glasses for these windows and doors at the only float glass factory in Egypt and produce Plastic Bottles in Syria and Insulating Foams in Kuwait and South Africa. Most of the manufacturing units like Braking Lining, Refrigerated truck Bodies, Car Seat Moulding, Upholstery Foams and Packaging are located in Egypt. Al Kharafi paper mill in Egypt is the largest in Middle East, which makes packaging board from waste paper. The quality of its output is so highly regarded, it is even exported to Sweden, which is normally a net exporter of paper. Steel pipes roll out from their Egypt factory, which is particularly used for the Egypt – Jordan gas pipeline.

In construction Al Kharafi are completely integrated grade “A” international contractor. Al Kharafi commercial activities show, among other things, how good marketing skills can help achieve dominant market positions for wide range of goods and services. The Kharafi group is diverse but not fragmented. Major subsidiaries operate autonomously, while head office operations provide corporate services and a central focus for group strategy. There is continual cross support among companies and divisions. So that when you are dealing with one member of the group you are dealing with all.

Al Kharafi philosophy of management is to cultivate self-confidence and encourage decision-making; to foster the entrepreneurial spirit and combine it with strict business disciplines and the latest in technology and business methods. It is a philosophy that has lead Al Kharafi to the front rank of companies in the middle east and an annual turnover in excess of US\$4.5 Billion.

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