NOTARIAL REPORT
OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS
OF AXALTO HOLDING N.V.

On the thirty-first day of January two thousand and six I, François Diederen Rosendaal, notaris (civil-law notary) practising in Amsterdam, attended at the request of the hereunder mentioned chairman, an extraordinary general meeting of shareholders of the limited liability company: Axalto Holding N.V., with corporate seat in Amsterdam, the Netherlands, and address at: 1096 AX Amsterdam, the Netherlands. Joop Geesinkweg 541-542, hereinafter referred to as: the Company, held in Amsterdam on the thirty-first day of January two thousand and six, in order to draw up official minutes of what has been dealt with at that meeting. There I, notaris, have established the following: Johannes Gerardus Maria Nicolaas de Wit, residing at 6221 JP Maastricht, the Netherlands, Plein 1992 7 b, born in Valkenswaard on the thirtieth day of May nineteen hundred and forty-six, acts as chairman of the meeting, hereinafter referred to as: the Chairman. The Chairman opens the meeting at ten hours and thirty minutes (10:30).

1. Opening

The Chairman:

Good morning ladies and gentlemen, I hereby open the Extraordinary General Meeting of Shareholders of Axalto Holding N.V. My name is John de Wit and I am Chairman of the Board. I would like to extend a warm welcome to all of you present at the meeting. I am very pleased to introduce to you the Board members of Axalto. Sitting next to me have Mr. Olivier Piquet, who is our Chief Executive Officer. We have Mr. Michel Soublin, who is a non-executive member of the Board and member of the Audit Committee. Next we have Mr. Arthur van der Poel, who is a non-executive member of the Board and chairman of the Remuneration Committee as well as the Selection and Appointment Committee. Next we have Mr. Maarten Scholten, who is a non-executive member of the Board and member of the Remuneration Committee and the Selection and Appointment Committee. Unfortunately two (2) Board members are not able to attend this shareholders meeting and that is Mr. Kent Atkinson, who is a non-executive member of the Board as well as chairman of the Audit Committee and Mr. Willem Stolwijk, who is a non-executive member of the Board and member of the Audit Committee. Mr. Atkinson as well as Mr. Stolwijk have asked to be excused. Also attending this meeting are three (3) of the five (5) proposed new Board members knowing Mr. Alex Mândî (Mr. Mândî stands up), hello Alex, Mr. Geoffrey Fink (who stands up) and Mr. Johannes Fritz (who in turn also stands up), welcome.
Mr. Jean-Pierre Charlet is our Company Secretary and in accordance with the Articles of Association of Axalto, Mr. Charlet is the Secretary of this meeting.

I also welcome our civil-law notary, Mr. Frans Rosendaal of the law firm De Brauw Blackstone Westbroek, as well as our external auditor, Mr. Izeboud, sitting in the back, of the firm Price Waterhouse Coopers.

I would like to inform you that the proceedings of this meeting will be recorded, only for internal purposes and use, to facilitate the preparation of the minutes. I would like to request our civil-law notary, Mr. Rosendaal, to include the minutes of this meeting in a notarial report.

The official language of this meeting shall be English.

This meeting has been convened with due observance of all legal and statutory provisions. The notice to attend the meeting including the agenda has been published in “Het Financieele Dagblad” and “La Tribune” on December twenty-eighth two thousand and five.

In the back of the room there is a table on which you will find for your information all documents in English and French, including the agenda and the explanatory notes, a copy of the draft deed of amendment of the Company’s Articles of Association (which is also available in Dutch), information on the persons proposed for appointment to the Board and the proposed amendments to the Remuneration Policy for the Chief Executive Officer.

These documents have been available for inspection at our office in Amsterdam and at the office of Axalto International SAS in Montreouge, France as of December twenty-eighth two thousand and five and have been published on Axalto’s website and the AMF’s website.

I inform you that no shareholders have requested to place any items on the agenda.

In accordance with article 36 of Axalto’s Articles of Association, the resolution placed on the agenda and set out in the explanatory notes to the agenda, which included the amendment of Axalto’s Articles of Association and which resolution the General Meeting of Shareholders is asked to approve, shall be adopted by a majority of two-thirds of the votes cast in a General Meeting where at least one-third of the issued share capital is present or represented.

I would like to inform you that according to the attendance list the holders of fifteen million three hundred forty-two thousand seven hundred two (15,342,702) shares are present or represented at this meeting, which may cast fifteen million three hundred forty-two thousand seven hundred two (15,342,702) votes, which is more than one-third of the issued share capital, excluding the number of shares owned by the Company in its own share capital. That means that valid resolutions can be taken.

Axalto’s Articles of Association provide in article 27 paragraph 1 that the Chairman shall decide on the method of voting.

Hereby I inform you that voting during this meeting shall be by ballot. We will utilize the following method of voting:

1. upon registration for this meeting, each person entitled to vote has been given a ballot for the proposal to be voted on, stating his or her name and the number of shares he or she is entitled to vote.

2. I will ask each person to put on his or her ballot whether he or she is in favour of the proposal, against the proposal or abstaining from voting. The ballots will be collected and the votes will be counted, after which I will give you the voting results.

Are there any questions with respect to the method of voting?

No? Then we will proceed with agenda point 2.
2. Proposal to approve a resolution

The Chairman:

In this second item on the agenda the General Meeting of Shareholders is asked to approve the resolution as placed on the agenda regarding the completion of the combination of the respective businesses of your company, Axalto Holding N.V. and Gemplus International S.A. and the items to implement such combination of businesses.

In this respect I would like to invite our CEO, Olivier Piou to make a presentation on the proposed combination between Axalto Holding N.V. and Gemplus International S.A.

Mr. Olivier Piou:

Good morning ladies and gentlemen.

I am going to try to summarize the main features of the combination that Axalto and Gemplus are aiming to create in order to create a global leader in the digital security.

This is like any other legal document (refers to disclaimer included in the slides) and I will not read all this. You can go to our website, and go through the important information, the forward looking statements and disclosures that are placed there. I will just go directly through the transaction highlights.

The main point of this transaction is a merger of equals between two companies that have the same profile and that have the same endeavour in order to create Gemalto, which will be a leader in the digital security market. We expect that the combination will have a pro forma two thousand and five revenue of over two billion dollar (USD 2,000,000,000) and a market capitalisation of over two point six billion dollar (USD 2,600,000,000). The main purpose of the transaction is also to create an entity that is in a strong position to capture the industry growth opportunities as we see developing them and that is able to develop new applications, where the smart card will be a key identity and a differentiating factor for all our customers.

Our two companies have an extended worldwide and complementary client base, and also a strong focus on research and development (hereinafter referred to as: "R and D"), innovation, sales and marketing. Applying those combined resources on new application development and superior services to our customers will make a strong differentiation for Gemalto. I will come back on all the benefits for the various stakeholders afterwards, but I think that one of the amazing characteristics of this transaction is that it benefits at the same time our customers, our employees and our shareholders. In designing this transaction we have also taken a great attention to have shared governance and a strengthened management team.

As you know the two companies have been growing from small companies into billion dollar or billion euro type of companies and combining our management team is going to give us greater skills. The expected synergies that we have will be in the range of approximately eighty-five million euro (EUR 85,000,000). It is interesting to see that the two companies independently have come to about the same number by different means and this represents about a hundred million dollar (USD 100,000,000) per annum, which we expect to have fully realised and fully operational at the end of the third year.

In addition Alex and I will propose to the new board when it is put in place, a recommendation to have a share buy back program of up to ten percent (10%) of the capital of Gemalto after closing.

In terms of technicalities, the Gemplus shareholders would receive twenty-six euro cent (EUR 0.26) per share cash distribution out of the company reserve pre exchange and then the exchange ratio would be two (2) Axalto shares for every twenty-five (25) Gemplus shares.
Of course this transaction is subject to customary conditions, and anti trust review by various regulatory authorities, but it is important to realize that it is structured as a two step transaction. In the first step, two groups of shareholders, Texas Pacific Group and the Quandt Family entities, have agreed to contribute their respective shareholding in Gemplus for newly issued Axalto shares. And, though we were not obliged by Luxembourg law, we have decided to follow this transaction and this contribution by a voluntary offer to all remaining shareholders at the same exchange ratio. So, assuming that hundred percent (100%) of the Gemplus shareholders tender their shares to the public offer, the Axalto shareholders would own forty-five percent (45%) of the combined entity and the Gemplus shareholders fifty-five percent (55%) of it.

We expect that the various regulatory reviews will take a few months, and so we expect to close early or late summer two thousand and six, after all the steps are completed. I think it is important to appreciate that the two (2) boards have unanimously recommended the transaction to their shareholders.

If we go into the expected synergies, I will go quickly through the two (2) main sources. The first is related to the cost of goods sold. Essentially, a volume effect on purchasing, efficiencies of a better supply chain, and also what I think is frequently underestimated by most people, is that when you share best practices of two (2) companies that have been in this business for a long time, you will find some best practices that are not common, and when you multiply by the volume that we are producing, this is generating significant savings.

To give you an example, I think I was quoted saying that every time we find one euro cent (EUR 0.01) of savings, multiplied by a billion cards it creates ten million euros (EUR 10,000,000) of savings. Going straight to the bottom line.

In terms of operating expenses, we do not anticipate to reduce our R and D and manufacturing resources, because we need them in order to address the growth. The reduction will come essentially from duplicating general and administrative expenses, such as auditors fees - and I am sorry for Price WaterhouseCoopers who is here, but we will not pay two (2) fees - or communication fees, i.e. essentially external costs.

We have of course looked at the potential revenue impact, but we have found that we have limited overlap in our customer base. We have essentially no overlap at all in the banking, identity or POS sector. The only place where we have some overlap is in the SIM card market, and we expect that we will loose a little market share at the beginning but we should be able to recover it by superior customer service over time.

And at the end of it, the name of the game in our business is innovation, so our enhanced R and D capabilities, our capability to accelerate innovation and to provide customized services to our customers, should help us to grow faster than what we are doing today.

If we look at actual numbers, we have put there the chart of how the synergies should roll out over time, you have to appreciate that some are pretty rapid. Of course when you purchase you quickly realize that you have made a saving or not. When you speak of process optimisation or sharing best practices, this takes a little more time. First, you need to pick the best process, and second you may have to spend a little money on your people and equipment in order to adopt this best process. Without going into detail, this is how we see the ramp up, and this is why we say that it will take the third year to fully realize all the benefits of the combination.

The good side is that there are limited costs in achieving those synergies. We have estimated those at about forty-three million euro (EUR 43,000,000), and they are related essentially to IT -
we will have to combine our IT-systems -, regrouping offices - where it makes sense in different countries where we have locations in the same place -, and other expenses where we have redundancies. Main point is also that we will start creating those benefits in year one, so they will reach full realisation in year three.

I kept this slide just to go through the intended benefits for all stakeholders. I think it is quite clear that our customers will benefit from this accelerated innovation and quicker time to market for new applications.

I think the entire industry will benefit from this combination. Our customers are becoming more and more international, and so we should be able to help them better in order to support their international expansion. With the additional R and D resources that we will have, we will be able to have additional R and D efforts directed to them. And these additional skills that we have should provide us efficiency. For example we are planning to open a factory in South-East Asia, and it happens that Gemplus has one already, so we will not have the need to do this in order to serve better the Axalto customers in the South-East Asia region.

For shareholders as you are, the main point is that the value is accretive to both sets of shareholders through the joint net synergies. The larger market capitalisation of the combined companies will create of course a better access to capital markets. I think this is important because we have had a lot of questions in terms of what we will do with our cash. We will need lower cash levels than we used to have because we will have a better access to the capital market. And a better profile for the industry also will be positive for everybody in terms of shareholders and the industry in general.

And for our employees, you have seen their reaction. I think they feel proud to be part of a global leader. They see the enhanced opportunities and they see also that there is a lot of activity in the factories, volumes to be produced, so there is little doubt about the effect and the interest of the synergy.

So, going into the sequence of events, we have announced the transaction on December seventh. The second step is today with the Axalto shareholders meeting, and possibly, hopefully, the approval of the transaction. Then it will be followed by the shareholders meeting of Gemplus. Somewhere in the middle of that process or afterwards, the regulatory review will be completed. When the regulatory review is completed, the cash distribution will be made to the Gemplus shareholders. The TPG and Quandt family entities contribution will happen and their shares in Gemplus will be exchanged against newly created shares of Axalto. We will set that time launch the public exchange offer for the remaining shareholders of Gemplus. And at the end of the summer, I suppose, we will be closing or finishing the exchange of shares under the public offer.

So to conclude, the main program and project of Gemalto, is to create a world class leader in digital security, aiming and addressing not only the smart card application, but also all the applications related to wireless, security and convenience in the digital world. Gemalto would be strongly positioned to capture the growth opportunities with a good capability to increase our margin and a strong management team with a unique breadth of expertise and experience in this industry. A better position in the capital market and a strong balance sheet out of which we will return to the various shareholders a good part during the transaction between what will be given back to the Gemplus shareholders and the share buy back that we may start after the transaction.

This is it for me, and if there are any questions I would be ready to take them.

The Chairman:
Thank you, Olivier, thank you for the clear presentation.

Before putting the resolution up for voting, I would like to give the shareholders the opportunity to discuss and ask questions regarding the Combination and the items to implement the Combination as described in this agenda item 2. Are there any questions?

Yes please, could you state your name?

Mr. Laurent Saglio:

Yes, Saglio.

The Chairman:

There is a microphone, please.

Mr. Laurent Saglio:

Can I not speak loud?

The Chairman:

I can hear you, can everybody hear you?

Mr. Olivier Plou:

It is for the recorder.

The Chairman:

Ah, yes, the purpose is the recording, it’s right.

Mr. Laurent Saglio:

You just stated that you were going to implement a share-buy-back as of when the deal will close. Did I understand correctly that you will do it immediately after you have authorisation and for ten percent (10%)?

Mr. Olivier Plou:

We cannot commit ourselves to this at this moment. What Alex and I have committed ourselves to is that we would recommend that decision to the new board when it will be put in place.

Mr. Laurent Saglio:

Ok.

Mr. Olivier Plou:

If you look at a balance sheet of the company, the combined company will be extremely strong, and we believe that it would make good sense to recommend this program, but it will be up to the new board to decide on it. But we will recommend that share-buy-back of ten percent (10%).

Mr. Laurent Saglio:

Obviously as the announcement was made in December and it now being the beginning of February, you must have a better idea on the closing of the deal. I believe it was the Christmas period for the EC committee. They are back from holiday, so can you firm up?

Mr. Olivier Plou:

We have always felt that this transaction was not raising a competitive question, but we have also always felt that the competition and any authority would take a diligent and careful look at this transaction, so they will take their time, to review all the documents. The only public information that I am aware of is that Mr. Barberis has mentioned in his public address that he had received a questionnaire, so I suppose that the commission has send the questionnaires, but I don’t know how long they will take in order to look at the feed back.

Mr. Laurent Saglio:

Because I thought this would take one month? Am I wrong? Between the demands and the feed back? Because if you go into...
Mr. Olivier Piou:

It is a little bit more complicated. First you have several jurisdictions to deal with. We have been —— through the first step of the jurisdictions. You submit to the twenty-five countries, the twenty-five —— countries have agreed to elevate the transaction to the European Commission, so this is done. —— Then there is a second step where the Commission can review for twenty-five or thirty-five plus —— suspensions days. And than you will have the same in the United States and you have the same —— in other countries, that is why it may take some time.

Mr. Laurent Saglio:

Ok, so the closing will not be earlier than this summer?

The Chairman:

Possibly ...

Mr. Olivier Piou:

Possibly, but early summer in that case.

Mr. Laurent Saglio:

My last question: on the thirty-two million euro (EUR 32,000,000) of the first year synergies, I —— want to make sure again, is it December calendar implementation, or is it twelve months following —— the completion?

Mr. Olivier Piou:

It is twelve months following the completion because we don’t know the start date.

Mr. Laurent Saglio:

Thank you very much.

The Chairman:

Thank you very much.

Anybody else?

Thank you.

The Chairman:

Since there are no further questions and since we must proceed, I hereby put the following —— proposal to a vote as placed on the agenda for the approval of the General Meeting of —— Shareholders.

The General Meeting of Shareholders is asked to:

(i) approve the proposed Combination of the Company and Gemplus International S.A. and of —— all steps and acts of the Company necessary to implement the Combination as described —— in the Explanatory Notes to this agenda, and ——

(ii) amend the Articles of Association of the Company, as described in the Explanatory Notes —— and Annex 1 to this agenda, and authorise in connection with the amendment of the —— Articles of Association any and all members of the Board as well as any and all lawyers —— and paralegals practising with De Brauw Blackstone Westbroek N.V. to apply for the —— required ministerial declaration of non objection on the draft mentioned, as well as to —— execute the notarial deed of amendment to the Articles of Association, which deed of —— amendment shall be executed upon completion of the Contribution in Kind, and ——

(iii) increase the number of members of the Board to eleven (11) as per the date of completion —— of the Contribution in Kind, as required under the Combination Agreement, subject to the —— condition of execution of the deed of amendment of the Articles of Association: ———
a. the appointment of Mr. Alex Mändl as Executive Chairman of the Board, for a term ——
beginning on the date of completion of the Contribution in Kind, as required under ——
the Combination Agreement, and expiring eighteen (18) months after the effective ——
date of his appointment, ————

b. the appointment of Mr. David Bondeman, Mr. Geoffrey Fink, Mr. Johannes Fritz and ——
Mr. John Ormerod as non-executive members of the Board as per the date of ————
completion of the Contribution in Kind, as required under the Combination ————
Agreement, ————

c. the acknowledgement of the resignations of Mr. Maarten Scholten and Mr. Willem ——
Stolwijk as members of the Board as per the date of completion of the Contribution ————
in Kind, and granting of discharge for the fulfilment of their duties until the end of ————
their terms of office, ————

d. until the time that the Board will submit a proposal for the appointment of the ————
eleventh non-executive independent Board member to the approval of the ————
shareholders at a future shareholders meeting, the Board will be constituted of ten ————
(10) Board members; ————

(iv) as a consequence of the changes in the Articles of Association regarding the dismissal of ———
the Chief Executive Officer, to amend the Company’s Remuneration Policy for the Chief ———
Executive Officer, including the terms of the remuneration in the form of shares or rights to ———
acquire shares, as described in the Explanatory Notes and Annex 3 to this agenda, upon ———
completion of the Contribution in Kind. The Company’s Remuneration Policy for the Chief ———
Executive Officer, once amended, will also apply in principle for determining the ———
remuneration of the Executive Chairman. ———

Ladies and gentlemen, we will proceed now with voting by ballot. Upon registration for this ———
meeting each person entitled to vote has been given a ballot for the proposal to be voted on, ———
stating his or her name and the number of shares he or she is entitled to vote. Each person is ———
asked to put on his or her ballot whether he or she is in favour of the proposal, against the ———
proposal or abstaining from voting. ———

Please put on your ballot now whether you are in favour of or against this proposal, or if you ———
abstain from voting. ———

The ballots will now be collected as soon as you have completed them and the votes will be ———
counted by NMC. ———

The votes have been counted and I would like to ask NMC to provide the meeting with the voting ———
results, which number will include the voting instructions issued to our registrar NMC: ———

Mrs. Saskia Engel: ———

Mr. Chairman of the votes cast at this meeting fifteen million three hundred forty-two thousand six ———
hundred fifty-one (15,342,651) shares have been cast in favour of this resolution: ———
no votes have been cast against this resolution; and ———
fifty-one (51) shares abstained from voting. ———

The Chairman: ———

Thank you very much, NMC. I hereby conclude and record that a majority of more than two-thirds ———
of the votes, actually ninety-nine ninety-nine/hundredth percent (99.99%) has been cast in favour ———
of the proposal. Therefore, the proposal has been adopted. ———
I would like to thank you all, for this very clear sign of acceptance and therefore the trust in the future of this combination. I think it will change the industry. I congratulate management, and their counsellors and advisors of having achieved this phase so successful and so rapidly. I commend you for your efforts. Thank you very, very much.

I would like to conclude this item of the meeting.

3. Any other business

We have come to the fore last item on the agenda. Are there any other issues? As there is no other business to be transacted I would like to proceed to the last item of the agenda.

4. Adjournment

I believe that all questions have been asked and answered.
Before I close this meeting, I again would like to thank all of you on behalf of the Board for your attendance and your contribution to the discussions at this Extraordinary General Meeting of Shareholders of Axalto Holding N.V.

Let me invite you all for a glass of champagne at the hall of the hotel. Thank you very much.
The Chairman closes the meeting at eleven hours and ten minutes (11:10).

In witness whereof this notarial record which shall be retained by me, notaris, is executed in Amsterdam, on the twenty-sixth day of April two thousand and six.

(signed): F.D. Rosendaal.

ISSUED FOR TRUE COPY