Gemalto N.V.
Minutes of the Annual General Meeting of Shareholders
held on May 22, 2007

(This is not a verbatim account of the proceedings)

1. Opening and announcements

Mr. Alex Mandl, chairman (“Chairman”) of the board of directors (“Board”) of Gemalto N.V. (“Company”), speaking on behalf of the Board, opens the 2007 Annual General Meeting of Shareholders of the Company (“AGM”), at the Radisson SAS Hotel, Boeing Avenue 2, Schiphol-Rijk, the Netherlands at 10:30 a.m. CET on Tuesday, May 22, 2007 and welcomes the shareholders and all others present. The Chairman introduces to the meeting each Board member attending. Messrs. David Bonderman and Geoffrey Fink are not present and have asked to be excused.

The Chairman welcomes Mr. Charles Desmartis, Chief Financial Officer (“CFO”) and Mr. Jean-Pierre Charlet, Company Secretary. Mr. Jean-Pierre Charlet acts as the secretary of the meeting (“Secretary”). The Chairman also welcomes the Company’s Dutch legal advisor, Ms. Marielle Legein of the law firm De Brauw Blackstone Westbroek N.V., as well as the Company’s external auditor, Mr. Fernand Izeboud of the accountants firm PricewaterhouseCoopers Accountants N.V.

On the request of the Chairman, Mr. Charlet makes the following announcements.

The proceedings of the meeting will be recorded, only for internal purposes and use, to facilitate the preparation of the minutes. The official language of the meeting shall be English.

The 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 May 4, 2007.

All documents, including the agenda and the explanatory notes, as well as the 2006 Annual Report, including the 2006 Financial Statements, information on the persons proposed for reappointment to the Board, the full text of the proposed Remuneration Policy, as well as the Dutch text of the proposed amendments to the Company’s Articles of Association and an unofficial English translation thereof, are available at the meeting. These documents have been available for inspection at the offices of the Company in Amsterdam and at the offices of Axalto International SAS in Meudon, France as of May 4, 2007 and have been published on Gemalto’s website.

No shareholders have requested to place any items on the agenda.

The resolutions placed on the agenda and set out in the explanatory notes to the agenda, shall be adopted by an absolute majority of votes cast in a General Meeting of Shareholders where at least one fourth of the issued capital is present or represented. However the resolutions to reappoint the Board members shall be adopted by an absolute majority of the votes cast in a General Meeting,
without a quorum being required, as the reappointments were proposed by the Board. Furthermore, the resolution to amend the Company's articles of association shall be adopted with a two thirds majority of the votes cast in a General Meeting where at least one third of the issued share capital is present or represented.

According to the attendance list, the holders of 36,978,221 shares are present or represented at the AGM, who may cast 36,978,221 votes, which is more than one third of the issued share capital, therefore valid resolutions can be taken with regard to all items on the agenda.

The Chairman proposes that voting during the meeting shall be by acclamation per item, provided that persons entitled to vote are free to explicitly cast their votes against a proposal or to abstain from voting during the meeting. There are no objections against this decision from the meeting.

During the meeting, the Company’s external auditor may be questioned on his auditor's report and his audit activities regarding the Company's 2006 Financial Statements. However the content of the financial statements remains the responsibility of the Board.

The Chairman concludes this item of the meeting.


The Chairman proceeds with the next item on the agenda: the Annual Report of the Board for the financial year 2006.

The Chairman expresses his appreciation to the Board for its Annual Report. Further to the invitation of the Chairman, Mr. Olivier Piou, Chief Executive Officer (“CEO”) presents to the meeting a summary of the most important developments in the financial year 2006 and the current state of affairs, and Mr. Charles Desmartis, CFO, informs the meeting on the financial affairs, the presentations which are attached hereto.

The Chairman thanks the CEO and the CFO for their presentations and gives the shareholders the opportunity to discuss and ask questions regarding the Annual Report. Since none of the shareholders wishes to ask questions, the Chairman concludes this item of the meeting.

3. Adoption of the 2006 Financial Statements

The Chairman proceeds with the next item on the agenda: the adoption of the 2006 Financial Statements.

The Chairman gives the shareholders the opportunity to discuss and ask questions regarding the Financial Statements. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to adopt the Company's 2006 Financial Statements as drawn up by the Board.

The Chairman asks whether there are any votes against the proposal or any abstentions. Netherlands Management Company B.V. (“NMC”), on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,978,221 shares have voted in favour of the
resolution and 0 shares have voted against or have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

4. **Dividend policy and allocation of 2006 results**

The Chairman proceeds with the next item on the agenda: the dividend policy and allocation of the 2006 results.

Mr. Charlet informs that the Company’s current policy on additions to reserves and distributions of dividends is that the amount of dividends to be paid by the Company to its shareholders shall be determined by taking into consideration the Company’s capital requirements, return on capital, current and future rates of return and market practices, notably in its business sector, as regards the distribution of dividends.

The Company will not pay a dividend in 2007 in respect of the 2006 financial year, as determined by the Board with due observance of the Company’s policy on additions to reserves and distributions of dividends. The Board has decided to allocate the results of the year 2006 to the retained earnings.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman concludes this item of the meeting.

5a. **Discharge of the CEO and the Executive Chairman for the fulfillment of their duties during the past financial year**

The Chairman proceeds with the next item on the agenda: discharge of the CEO and the Executive Chairman from liability in respect of the fulfillment of their respective duties during the financial year 2006.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to discharge the CEO and the Executive Chairman from liability in respect of the fulfillment of their respective duties during the financial year 2006.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 35,370,463 shares have voted in favour of the resolution, 1,334,647 shares have voted against and 273,111 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.
5b. **Discharge of the non-executive Board members for the fulfillment of their duties during the past financial year**

The Chairman proceeds with the next item on the agenda: discharge of the non-executive Board members from liability in respect of the fulfillment of their respective duties during the financial year 2006.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to discharge the non-executive Board members from liability in respect of the fulfillment of their respective duties during the financial year 2006.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 35,370,463 shares have voted in favour of the resolution, 1,334,647 shares have voted against and 273,111 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

6a. **2006 grant of options to the CEO and the Executive Chairman**

The Chairman proceeds with the next item on the agenda: approval of the June 2, 2006 grant of 200,000 options to the CEO and to the Executive Chairman.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to approve the grant, as of June 2, 2006, of 200,000 unconditional options to acquire Gemalto shares for an option price of €23.10 per share to Mr. O. Piou, CEO, and of 200,000 unconditional options to acquire Gemalto shares for an option price of €23.10 per share to Mr. A. Mandl, Executive Chairman.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 33,753,154 shares have voted in favour of the resolution, 2,985,567 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

6b. **Amendment of the Remuneration Policy for the CEO (and the Executive Chairman)**

The Chairman proceeds with the next item on the agenda: amendment of the Remuneration Policy for the CEO and the Executive Chairman.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to amend the Remuneration Policy for the CEO (and the Executive Chairman) to include:
that the Board is authorized to grant to the CEO (and to the Executive Chairman) annually a maximum number of 250,000 options to acquire Gemalto shares.

that the variable compensation for the CEO (and the Executive Chairman), based on the achievement of personal and financial objectives, is in the range 0-120% of the Total Reference Compensation for 100% achievement of objectives. To encourage and reward exceptional financial results in excess of 100% achievement of objectives, the variable compensation related to financial objectives can be increased so that the total variable compensation can reach up to 180% of the Total Reference Compensation.

the possibility for the CEO (and the Executive Chairman) to participate in the Axalto Holding N.V. 2004 Global Employee Share Purchase Plan, including any Sub-Plans, as further amended in 2005 (jointly the “GESPP”), as well as in any future similar plans, with a maximum contribution per year of the lesser of 25% of the compensation of the CEO (and the Executive Chairman) or €20,000 and a maximum discount of the purchase price of the Gemalto shares of 20% based on the lesser of the value of the Gemalto shares on the first day of the offering period and the last day of the offering period.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 33,973,049 shares have voted in favour of the resolution, 2,732,061 shares have voted against and 273,111 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

6c. Confirmation of 2005 option grant to the CEO

The Chairman proceeds with the next item on the agenda: reiteration of the approval of the September 2, 2005 grant of 150,000 options to the CEO.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting, to the extent necessary, to reiterate the approval of the grant of 150,000 options to acquire Gemalto shares for an option price of €30.65 per share to Mr. O. Piou, CEO as of September 2, 2005.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 33,203,608 shares have voted in favour of the resolution, 3,535,113 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

7a. Grant of one time additional remuneration to non-executive Board members

The Chairman proceeds with the next item on the agenda: grant of a one time additional remuneration to non-executive Board members.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to grant a one
time additional remuneration of €15,000 to each of the Company’s non-executive Board members Messrs. D. Bonderman, G. Fink and J. Fritz.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 35,922,044 shares have voted in favour of the resolution, 816,677 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

7b. Remuneration of the members of the newly created Strategy and M&A Committee

The Chairman proceeds with the next item on the agenda: remuneration of the members of the newly created Strategy and M&A Committee.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to determine that each member of the Strategy and M&A Committee, including the chairman, is remunerated in accordance with the remuneration of the members, including the chairman, of the Compensation Committee and Nomination and Governance Committee.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,672,044 shares have voted in favour of the resolution, 66,677 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

7c. Amendment of the remuneration structure of the non-executive Board members

The Chairman proceeds with the next item on the agenda: amendment of the remuneration structure of the non-executive Board members.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to amend the remuneration structure for the non-executive Board members, as of the day following the Annual General Meeting of Shareholders of May 22, 2007 as follows:

- €200,000 per calendar year for the non-executive Chairman of the Board, who will be appointed after the end of the mandate of Mr. A. Mandl as Executive Chairman of the Board on December 2, 2007;
- €65,000 per calendar year for each other non-executive Board member;
- an additional fee of €24,000 per calendar year for the chairman of the Audit Committee and an additional fee of €16,000 per calendar year for each member of the Audit Committee;
- an additional fee of €12,000 per calendar year for the chairman of respectively the Compensation Committee, the Nomination and Governance Committee, the Strategy and M&A Committee and any other Board Committees that the Board may create, and an additional fee of €8,000 per calendar year for the other members of those Board Committees.
The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 35,303,786 shares have voted in favour of the resolution, 1,434,935 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

8a. Amendment of the Global Equity Incentive Plan, including the Sub-Plans

The Chairman proceeds with the next item on the agenda: amendment of the Global Equity Incentive Plan, including the Sub-Plans.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to increase the number of Gemalto shares available under the Axalto Holding N.V. 2004 Global Equity Incentive Plan, including any Sub-Plans (jointly the “GEIP”) by 7 million Gemalto shares, as a result of which a total number of 14 million Gemalto shares will be available for grant and issue under the GEIP, and to delete any clauses in the GEIP relating to any currently required approval of the General Meeting of Shareholders with regard to an amendment of the GEIP or an increase of the number of shares available under the GEIP.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 29,054,446 shares have voted in favour of the resolution, 7,684,275 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

8b. Amendment of the Global Employee Share Purchase Plan, including the Sub-Plans

The Chairman proceeds with the next item on the agenda: amendment of the Global Employee Share Purchase Plan, including the Sub-Plans.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to increase the number of Gemalto shares available under the Axalto Holding N.V. 2004 Global Employee Share Purchase Plan, including any Sub-Plans, as further amended in 2005 (jointly the “GESPP”) by 1.6 million Gemalto shares, as a result of which a total number of 3.2 million Gemalto shares will be available for issue or transfer under the GESPP, and to delete any clauses in the GESPP relating to any currently required approval of the General Meeting of Shareholders with regard to an amendment of the GESPP or an increase of the number of shares available under the GESPP.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 32,865,514 shares have voted in favour of the resolution, 3,873,207 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.
The Chairman concludes this item of the meeting.

8c. **Adoption of the 2006 Stock Option Plan regarding the exchange of Gemplus options**

The Chairman proceeds with the next item on the agenda: adoption of the 2006 Stock Option Plan regarding the exchange of Gemplus options.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to approve the 2006 Stock Option Plan regarding the exchange of options to acquire Gemplus International S.A. and/or Gemplus S.A. shares for options to acquire Gemalto shares (the “2006 Gemalto options exchange plan”) pursuant to which a total of 7 million Gemalto shares may be issued pursuant to options granted under the 2006 Gemalto options exchange plan, subject to the renunciation by the beneficiaries of their rights to options to acquire Gemplus shares.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 31,559,940 shares have voted in favour of the resolution, 5,178,781 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

9a. **Reappointment of Mr. Michel Soublin until the close of the AGM of 2011**

The Chairman proceeds with the next item on the agenda: reappointment of Mr. Michel Soublin as a non-executive Board member until the close of the AGM of 2011.

The Chairman introduces Mr. Soublin who is present in the room and gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to reappoint Mr. Michel Soublin as a non-executive member of the Board as of May 22, 2007 for a period ending at the close of the Company’s Annual General Meeting of Shareholders to be held in 2011.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 35,402,246 shares have voted in favour of the resolution, 1,336,475 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

9b. **Reappointment of Mr. Alex Mandl until the close of the AGM of 2011**

The Chairman proceeds with the next item on the agenda: reappointment of Mr. Alex Mandl as a non-executive Board member until the close of the AGM of 2011.

The Chairman introduces Mr. Mandl who is present in the room and gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions,
the Chairman proposes to the meeting to reappoint Mr. Alex Mandl as a non-executive Board member as of December 2, 2007 for a period ending at the close of the Company's Annual General Meeting of Shareholders to be held in 2011.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,557,207 shares have voted in favour of the resolution, 181,514 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

9c. Reappointment of Mr. John de Wit until the close of the AGM of 2011

The Chairman proceeds with the next item on the agenda: reappointment of Mr. John de Wit as a non-executive Board member until the close of the AGM of 2011.

The Chairman introduces Mr. de Wit who is present in the room and gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to reappoint Mr. John de Wit as a non-executive Board member as of May 22, 2007 for a period ending at the close of the Company's Annual General Meeting of Shareholders to be held in 2011.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,738,721 shares have voted in favour of the resolution, 0 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

10. Set the maximum number of Board members at eleven

The Chairman proceeds with the next item on the agenda: set the maximum number of Board members at eleven.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to set the maximum number of Board members at eleven (11), instead of a fixed number of eleven. The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,738,721 shares have voted in favour of the resolution, 0 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.
11. **Amendment of the Articles of Association of the Company**

The Chairman proceeds with the next item on the agenda: amendment of the Articles of Association of the Company, more specifically articles 10, 15, 25.4 and 39.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to amend the Articles of Association of the Company, as described in the explanatory notes and Annex 3 of the agenda, and authorization in connection with the amendment of the Articles of Association of any and all Board members, as well as any and all lawyers and paralegals practising with De Brauw Blackstone Westbroek N.V., to draw up the draft of the notarial deed of amendment of the Articles of Association, 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.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,738,721 shares have voted in favor of the resolution, 0 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

12. **Renewal of authorization of the Board to repurchase shares in the Company**

The Chairman proceeds with the next item on the agenda: renewal of authorization of the Board to repurchase shares in the Company.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to irrevocable authorize the Board as from May 22, 2007 to cause the Company to acquire, whether as an “on” or “off” financial market purchase, shares in the share capital of the Company up to the maximum percentage of shares that the Company – by law or by virtue of its Articles of Association – may acquire in its own share capital at any moment for a period of eighteen months up to and including November 21, 2008, on such dates and in such portions as the Board may deem appropriate and in consideration of a purchase price per share which shall not be less than the par value of the shares to be repurchased and not be more than 110% of the average closing share price per share in the Company on Eurolist by Euronext Paris S.A. during the five business days preceding the date on which the shares concerned are acquired by the Company.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,053,621 shares have voted in favour of the resolution, 685,100 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.
13. **Re-appointment of PricewaterhouseCoopers Accountants N.V. as external auditor for the financial year 2007**

The Chairman proceeds with the next item on the agenda: re-appointment of PricewaterhouseCoopers Accountants N.V. as external auditor for the financial year 2007.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions, the Chairman proposes to the meeting to reappoint PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the financial year 2007.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A. and on behalf of other shareholders, confirms that 36,738,721 shares have voted in favour of the resolution, 0 shares have voted against and 239,500 shares have abstained from voting. The Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

14. **Questions**

The Chairman proceeds with the last item on the agenda and gives the shareholders the opportunity to ask questions with respect to items that have not previously been discussed.

Since none of the shareholders wishes to ask questions, the Chairman concludes this item of the meeting.

**Adjournment**

The Chairman thanks everyone on behalf of the Board for their attendance and contribution to the discussion at the AGM and closes the meeting at 11:15 a.m.

Signed on November 29, 2007

Chairman
Mr. Alex Mandl

Secretary
Mr. Jean-Pierre Charlet
Annual General Meeting of Shareholders

Olivier Piou  Chief Executive Officer
Charles Desmartis  Chief Financial Officer

Amsterdam, May 2007
Disclaimer

Forward-Looking Statements

This communication contains certain statements that are neither reported financial results nor other historical information and other statements concerning Gemalto. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, events, products and services and future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions. These and other information and statements contained in this communication constitute forward-looking statements for purposes of applicable securities laws. Although management of the company believes that the expectations reflected in the forward-looking statements are reasonable, investors and security holders are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the companies, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements, and the companies cannot guarantee future results, levels of activity, performance or achievements. Factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this communication include, but are not limited to: the ability of the company's to integrate according to expectations; the ability of the company to achieve the expected synergies from the combination; trends in wireless communication and mobile commerce markets; the company's ability to develop new technology and the effects of competing technologies developed and expected intense competition generally in the companies' main markets; profitability of expansion strategy; challenges to or loss of intellectual property rights; ability to establish and maintain strategic relationships in their major businesses; ability to develop and take advantage of new software and services; the effect of the combination and any future acquisitions and investments on the companies' share prices; changes in global, political, economic, business, competitive, market and regulatory forces; and those discussed by the companies in filings, submissions or furnishings to the SEC, including under the headings "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors". Moreover, neither the companies nor any other person assumes responsibility for the accuracy and completeness of such forward-looking statements. The forward-looking statements contained in this communication speak only as of the date of this communication and the companies are under no duty, and do not undertake, to update any of the forward-looking statements after this date to conform such statements to actual results, to reflect the occurrence of anticipated results or otherwise.
Agenda

- Introduction and Vision
- 2006 Financial Performance and Outlook
Year 2006 Highlights

- Combination fully completed, strongly supported by customers, shareholders and employees
- Integration program and synergy generation well on track
- Very difficult competitive environment in the first part of the year
- Commercial successes obtained in the second part of the year in all segments confirmed leadership in Digital Security
- Full year pro forma revenue essentially stable at constant exchange rates, at € 1,698 m
- Full year adjusted pro forma operating income of € 60 m
- Review of the value of deferred tax assets impacted net profit
2006 Market review

**Mobile Communication**
- Growth mainly driven by emerging countries
- Competitive environment and seasonality more favorable in the later stages of H2
- Emergence of multimedia standards enables advanced mobile applications and services

**Secure Transactions**
- Contactless gaining global user adoption
- EMV migration progressing
- Banks differentiating with customized cards and instant issuance

**Identity & Security**
- e-passport deployments increasing
- Widespread adoption of e-government ID, healthcare and drivers license programs
- Secure access solutions becoming more mainstream
- Increasing online transactions and fraud prompting banks to adopt stronger authentication devices
Customers experienced minimal disruption

Did you experience any business disruption, as a result of the Gemalto combination?

<table>
<thead>
<tr>
<th>Category</th>
<th>Negative impact</th>
<th>No impact</th>
<th>Positive impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>3%</td>
<td>82%</td>
<td>15%</td>
</tr>
<tr>
<td>Handling Problems</td>
<td>7%</td>
<td>79%</td>
<td>14%</td>
</tr>
<tr>
<td>Order Management</td>
<td>4%</td>
<td>82%</td>
<td>13%</td>
</tr>
<tr>
<td>Products, Solutions &amp; Services</td>
<td>7%</td>
<td>73%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Did you experience any business disruption, as a result of the Gemalto combination?
Large acceptance of the focus on Digital Security

Gemalto’s ambition: « to be the world leader in digital security, making personal digital interactions secure and easy »

How relevant to you is Gemalto ambition?

- **Global**: 7% Not relevant, 16% Neutral, 77% Relevant
- **Mobile Com**: 7% Not relevant, 21% Neutral, 72% Relevant
- **Banking & Security**: 7% Not relevant, 10% Neutral, 83% Relevant
- **Identity**: 14% Not relevant, 0% Neutral, 86% Relevant
1. The digital revolution is transforming the way people go about their everyday lives

2. The freedom to communicate, buy or travel, anytime or anywhere has become an integral part of what each individual wants and expects

3. The business of our customers is to enable individuals to make the most of these digital interactions. We help them by making these more convenient secure and enjoyable

4. We are part of a large and fast developing market that is growing with the spread of these digital interactions to every aspects of a person’s life. Be it at work or at home or in between

5. As the scope of the digital world extends, and in order to provide our clients with solutions that are more comprehensive and useful, Gemalto has chosen to expand its activities throughout the value chain

6. As a result, smart cards have come to represent only a part of what Gemalto does or can do

7. Today, Gemalto’s expertise and experience in developing secure personal devices, software and related services enable the company to become a leader and to thrive in this market
So there is a need to offer solutions that provide a safe and simple user experience.

Digital security protects and enhances digital interactions

Digital security is concerned with protecting...

- **Digital Identity**: individuals, subscribers, access rights
- **Digital Assets**: information, content, software application
- **Digital Transactions**: payments, data transmission, and access provision

For the benefit of individuals’ freedom, by making them...

- **Personal**: unique and private to each individual
- **Convenient**: easy and intuitive with minimum complication
- **Trusted**: effective and reliable
Strategic agenda

**Reinforce Operational Excellence**
- Achieve synergy realization and optimize manufacturing operations
- Strengthen pricing discipline and optimize traditional businesses
- Deepen customer relationships for stronger collaboration on end user experience

**Grow in Digital Security**
- Expand software and services revenue in current market segments
- Substantially grow the contactless, network authentication and electronic ID businesses
- Develop & capture new recurring services opportunities in wireless, banking and network security
- Take leadership in advanced mobile solutions including multimedia and convergence

**Seize Strategic Opportunities**
- Form further strategic partnerships to bolster customer offerings
- Look for strategic acquisitions complementing our business and technology
Agenda

- Introduction and Vision
- 2006 Financial Performance and Outlook
Basis of presentation of FY 2006 financial information

- Adoption of the euro as reporting currency
- Accounting treatment of the combination in accordance with IFRS 3 has several significant impacts on Gemalto’s financial statements
- The consolidated financial statements include standard IFRS consolidated income and cash-flow statements (reflecting full year activity of Gemalto + activity of Gemplus from June to December 2006), balance sheet and notes
- For a better understanding and appreciation of Gemalto’s operating performance over the period, and supporting today’s presentation:
  - Adjusted pro forma income statements for 2005 and 2006, so as to provide a full view of the combined business of Gemalto on a like-for-like basis
  - We also prepared a Pro forma analysis of change in cash position of the Group, presented and discussed in the MD&A section of the 2006 Annual Report
Pro forma* FY revenue: € 1.698 billion

**Segment Contribution**

- **Mobile Communication**
  - €994m
  - 59%

- **Secure Transactions**
  - €392m
  - 23%

- **Identity & Security**
  - €203m
  - 12%

- **POS Terminals**
  - €50m
  - 3%

- **Public Telephony**
  - €59m
  - 3%

**Area Contribution**

- **Europe, Middle East, Africa**
  - €924m
  - 54%

- **Asia**
  - €358m
  - 21%

- **North & South America**
  - €416m
  - 25%

**Segment contribution:**
- Increased contribution of Secure Transaction and ID & Security
- Lower contribution of Mobile Communication

**Area contribution:**
- Increased contribution of Asia
- EMEA contribution unchanged
- Lower contribution of Americas

* Prepared on a pro forma basis, reflecting the combined activity of Gemalto and Gemplus over the full year
Adjusted pro forma income statement

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>FY 2005 Adjusted pro forma</th>
<th>% Revenue</th>
<th>FY 2006 Adjusted pro forma</th>
<th>% Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,724</td>
<td>100.0%</td>
<td>1,698</td>
<td>100.0%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>567</td>
<td>32.9%</td>
<td>503</td>
<td>29.6%</td>
</tr>
<tr>
<td>Research &amp; Engin.</td>
<td>(116)</td>
<td>6.7%</td>
<td>(114)</td>
<td>6.7%</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>(211)</td>
<td>12.3%</td>
<td>(218)</td>
<td>12.8%</td>
</tr>
<tr>
<td>General &amp; Admin.</td>
<td>(116)</td>
<td>6.7%</td>
<td>(111)</td>
<td>6.5%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(443)</td>
<td>25.7%</td>
<td>(442)</td>
<td>26.0%</td>
</tr>
<tr>
<td>Other income</td>
<td>3</td>
<td>0.2%</td>
<td>(1)</td>
<td>-</td>
</tr>
<tr>
<td>Operating income, net</td>
<td>127</td>
<td>7.4%</td>
<td>60</td>
<td>3.5%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>59</td>
<td>3.4%</td>
<td>61</td>
<td>3.6%</td>
</tr>
<tr>
<td>Amortization</td>
<td>10</td>
<td>0.6%</td>
<td>10</td>
<td>0.6%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>196</td>
<td>11.4%</td>
<td>131</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

- Gross margin decrease reflecting strong price declines in Mobile Communication and lower margins in Secure Transactions
- Improved profitability in the second part of the year, reflecting seasonal pattern and cost savings (excl. unusually high patent revenue and positive one-off items in H1)
- Effect of cost reduction actions, primarily in purchasing and support functions: operating expenses stable overall, at €442 million, down 4.5% currency adjusted in H2 vs. H1 (estimated)

*EBITDA: Operating income + amortization and depreciation
## Adjusted pro forma income statement – other items

<table>
<thead>
<tr>
<th>€ in millions</th>
<th>FY 05 Adjusted pro forma</th>
<th>FY 06 Adjusted pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Income</strong></td>
<td>127.0</td>
<td>59.9</td>
</tr>
<tr>
<td>Financial Income</td>
<td>6.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Share of profit (loss) in associates</td>
<td>0.4</td>
<td>(1.0)</td>
</tr>
<tr>
<td><strong>Profit before taxes</strong></td>
<td>133.8</td>
<td>67.3</td>
</tr>
<tr>
<td>Income tax</td>
<td>1.9</td>
<td>(65.7)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>135.7</td>
<td>1.6</td>
</tr>
</tbody>
</table>

- Increase in financial income due to higher interest rates in 2006 on Euros and US dollars investments
- 2006 income tax charge includes valuation allowance related to deferred tax assets in certain entities for €47.5m
# Robust balance sheet

<table>
<thead>
<tr>
<th>€ in millions (All figures at period end)</th>
<th>Gemalto Consolidated 31 December 05 (1)</th>
<th>Gemalto Consolidated 31 December 06 (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant &amp; equipment</td>
<td>86</td>
<td>244</td>
</tr>
<tr>
<td>Goodwill</td>
<td>234</td>
<td>544</td>
</tr>
<tr>
<td>Other intangibles</td>
<td>18</td>
<td>116</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
<td>338</td>
<td>903</td>
</tr>
<tr>
<td>Working Capital</td>
<td>30</td>
<td>182</td>
</tr>
<tr>
<td>Other Assets (Liabilities) - Nets</td>
<td>12</td>
<td>(32)</td>
</tr>
<tr>
<td><strong>Total Capital Employed – Net</strong></td>
<td><strong>380</strong></td>
<td><strong>1,053</strong></td>
</tr>
<tr>
<td>Equity</td>
<td>591</td>
<td>1,422</td>
</tr>
<tr>
<td>Minority interest</td>
<td>2</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>593</strong></td>
<td><strong>1,449</strong></td>
</tr>
<tr>
<td>Net Debt (Net Cash)</td>
<td>(212)</td>
<td>(396)</td>
</tr>
<tr>
<td><strong>Total Capital Invested – Net</strong></td>
<td><strong>380</strong></td>
<td><strong>1,053</strong></td>
</tr>
</tbody>
</table>

### Impact of combination
- First step (June 2, 2006 - TPG & Quandt contribution)
  - Goodwill increased by €310m
  - Recognition of intangible assets (mainly technology)
- Second step (exchange offer & sell-out)
  - Excess of value (€200m) recorded against Equity

### Working capital requirement:
10% of annualized Q4 revenue

### Strong cash & cash equivalent at €430m, net cash at €396m

(1) €1 = $ 1.18
(2) €1 = $ 1.31
Outlook

In the first half of 2007, demand in Mobile Communication is mainly driven by emerging countries and the revenue profile is therefore expected to consist primarily of entry and mid-range products. Furthermore, in the first half of 2007, Gemalto’s operating margin(1) will not benefit from the unusually high patent licensing revenue and positive one-off items booked in the same period of 2006. Cost synergies from the combination are materializing progressively in line with the Company’s expectations, but they will not be sufficient to offset the adverse effect on the operating margin(1) of the strong price decline of last year.

In the second half of 2007, operating margin(1) should reflect the usual favorable seasonal pattern and the increasing contribution of the first digital security solutions deployments. It will also benefit from additional cost synergies from the combination.

Gemalto continues to anticipate sustained demand in all of its key markets. It will continue to proactively make the necessary adjustments to its cost base and remains determined to reach its stated objective of an operating margin(1) above 10% in 2009.

(1) Prepared on an Adjusted basis (Adjusted pro forma basis for 2006), excluding one-off expenses incurred in connection with the combination with Gemplus, reorganization charges and charges resulting from the accounting treatment of the transaction, and assuming that the combination had taken place as of January 1, 2005.