Report of the Board of Directors on conflicts of interests
pursuant to article 57 of the Luxembourg Law of August 10, 1915
to the Ordinary General Meeting of April 25, 2006

Reminder:

Article 57 of the Luxembourg law of August 10, 1915, and paragraph 10 of the articles of incorporation of Gemplus International S.A. respectively provide that:

- "Any director having an interest in a transaction submitted for approval to the board of directors conflicting with that of the company, shall be obliged to advise the board thereof and to cause a record of his statement to be included in the minutes of the meeting. He may not take part in these deliberations. At the next following general meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the directors may have had an interest conflicting with that of the company."

- "In case of a conflict of interests of a director, it being understood that the mere fact that the director serves as a director of a corporation belonging to the same group of companies as the Corporation shall not constitute a conflict of interests, he must inform the board of directors of such conflict and may not take part in the deliberation and the vote but he will be counted for the quorum. Any director having an interest in a matter submitted for approval to the board of directors conflicting with that of the Corporation, shall be obliged to inform the board thereof and to cause a record of his statement to be included in the minutes of the meeting. He may not take part in the deliberations of such matter. At the following general meeting, before any other resolution to be voted on, a special report shall be made on any transactions in which any of the directors may have an interest conflicting with that of the Corporation."

Mr. Alex Mandl abstained from the deliberation and the vote with respect to a resolution of the Board of Directors in March 2006 on the submission to the approval of the general meeting of shareholders of the principles of his compensation package as Chief Executive Officer (as a precautionary measure only in the event that all approvals and conditions of the proposed Gemalto combination are not obtained and satisfied by September 9, 2006).