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Some of the statements contained in this presentation constitute forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activities, performance, or achievements expressed or implied by such forward-looking statements. Actual events or results may differ materially. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we 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 presentation include, but are not limited to: trends in wireless communication and mobile commerce sectors; our ability to develop new technology, and the effects of competing technologies developed and expected intense competition generally in our main segments; profitability of our expansion strategy; challenges to or loss of our intellectual property rights; our ability to establish and maintain strategic relationships in our major businesses; our ability to develop and take advantage of new software and services; and the effect of future acquisitions and investments on our share price. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such forward-looking statements.

The forward-looking statements contained in this presentation speak only as of this presentation. We are under no duty to update any of the forward-looking statements after this date to conform such statements to actual results or to reflect the occurrence of anticipated results.
Agenda

- Overview
- Q1 2006 Financials
- Business Highlights
- FY 2006 Outlook
Q1 2006: Overview on operations

• Q1 2006: Strong revenue growth
  • Improving position in all our core businesses
  • Solid revenue growth in Financial Services and ID & Security, validating the Company’s strategy
  • Setec integration very successful

• Gemalto proposed transaction progressing in line with schedule
  • Approval by Gemplus shareholders of matters related to the Transaction
  • Clearance from U.S. antitrust authorities
Agenda

• Overview
  • Q1 2006 Financials
  • Business Highlights
  • FY 2006 Outlook
1st quarter 2006 highlights

• Q1 06 Group revenue up 19.3 % (up 5.3 %, currency and acquisition adjusted) year-on-year at €230.3 m, reflecting:

  • Strong growth in ID & Security and Financial Services
  • Sharply lower SIM prices in Wireless
  • Good Setec contribution to Gemplus’ growth

• Gross margin at 30.5 %

• Operating income at €8.4 m, resulting in 3.7 % operating margin

• Attributable net income at €6.3 m
Q1 06: Strong sales growth driven by EMEA and Americas

Q1 04: 197.3
Q2 04: 210.5
Q3 04: 214.7
Q4 04: 242.5
Q1 05: 193.1
Q2 05: 236.2
Q3 05: 247.9
Q4 05: 261.7
Q1 06: 230.3

Europe, Middle East, Africa
Asia
North & Latin America
Q1 2006 vs. Q1 2005 revenue

In million euros

- Q1 05: 193.1
- Volume: 80.6
- Price: -83.1
- Mix: 15.8
- Currency: 8.4
- Other: 15.5*
- Q1 06: 230.3

- Strong volume increase and mix improvement compensate ongoing price pressure

* “Other” mainly Setec contribution
• Q1 06 gross margin influenced by business mix, wireless price pressure and purchase accounting
Operating expenses

% of sales 29% 29% 30% 25% 28% 24% 25% 27% 27%

<table>
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<th>Quarter</th>
<th>R&amp;D</th>
<th>S&amp;M</th>
<th>G&amp;A</th>
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<td>61.2</td>
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<td>Q4 05</td>
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<tr>
<td>Q1 06</td>
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Operating expenses in Million euros and as % of sales.
## Key Figures

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<th>Million euros</th>
<th>Q1 06</th>
<th>Q1 05</th>
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<td><strong>Net sales</strong></td>
<td>230.3</td>
<td>193.1</td>
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<td><strong>Gross profit</strong></td>
<td>70.2</td>
<td>61.9</td>
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<td><strong>Gross margin</strong></td>
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<td>32.1 %</td>
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<td><strong>Operating margin</strong></td>
<td>3.7 %</td>
<td>3.9 %</td>
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Free cash flow

- Free cash flow reflecting increase of inventories and receivables due to strong growth
- Net cash flow at € - 8.4 m, including inflow from sale of minority stake

<table>
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<th></th>
<th>Q1 05</th>
<th>Q2 05</th>
<th>Q3 05</th>
<th>Q4 05</th>
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Strong balance sheet
(March, 31 2006)

- Strong cash position
- WCR improved to 14 % of revenue, from 16 % in Q1 05
Agenda

• Overview
• Q1 2006 Financials

▶ • Business Highlights
• FY 2006 Outlook
Q1 06: Wireless

- Wireless segment environment
  - Steady 3G development going on
  - Strong momentum in the wireless segment, combined with ongoing strong price pressure
  - SIM volume growth estimated above 30% in Q1 06, largely driven by emerging markets

- Q1 06
  - Wireless volume at new highs: 101 Mu (+ 48 % year-on-year)
  - ASP declined 33% (currency adjusted) year-on-year
  - Gross margin under pressure, this quarter, because of product and regional mix
  - Small residual impact of quality issue

<table>
<thead>
<tr>
<th>million euros</th>
<th>Q1 2006</th>
<th>Q1 2005</th>
<th>% change</th>
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<td>Net sales</td>
<td>134.3</td>
<td>132.7</td>
<td>+1.2 %</td>
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<td>Gross profit</td>
<td>50.2</td>
<td>51.1</td>
<td>-1.8 %</td>
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<td>Gross margin</td>
<td>37.4 %</td>
<td>38.6 %</td>
<td>-1.2 ppt</td>
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High end (3G and above): 14 % of volumes in Q1 06 (vs. 10 % in Q1 05)

3G and mid-range continue to gain share at the expense of low end products
Q1 06: Telecom

- Despite significant volume increase, limited revenue growth due to strong price pressure
- Rebound in phone cards
- Gross margin change reflecting wireless performance & change in business mix
- Operating income impacted by lower gross margin and continuous investments in innovative new products
Q1 06: Financial Services

<table>
<thead>
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<th>million euros</th>
<th>Q1 2006</th>
<th>Q1 2005</th>
<th>% change</th>
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</thead>
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<tr>
<td>Net sales</td>
<td>56.4</td>
<td>37.9</td>
<td>+ 48.6 %</td>
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<tr>
<td>Gross profit</td>
<td>10.5</td>
<td>5.8</td>
<td>+ 80.6 %</td>
</tr>
<tr>
<td>Gross margin</td>
<td>18.6 %</td>
<td>15.3 %</td>
<td>+ 3.3 ppts</td>
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<tr>
<td>Operating expenses</td>
<td>(11.4)</td>
<td>(10.4)</td>
<td>+ 9.8 %</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(0.9)</td>
<td>(4.6)</td>
<td>n.s.</td>
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</table>

• **Segment environment**
  • EMV* deployment ongoing
    • Southern Europe roll-outs expanding
    • Roll-outs acceleration in Latin America & Asia-Pacific
  • Contactless initiatives in USA and Asia-Pacific

• **Q1 06**
  • Best 1st quarter ever: + 48.6 %, driven by EMV* roll-out (mainly in Latin America, Southern Europe and Japan) and Setec contribution
  • Payment microprocessor cards: + 75 % at Mu 22.3
  • Operating income close to breakeven

* EMV: Europay Mastercard Visa
Q1 06: ID & Security

<table>
<thead>
<tr>
<th>million euros</th>
<th>Q1 2006</th>
<th>Q1 2005</th>
<th>% change</th>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>25.6</td>
<td>10.9</td>
<td>+ 134.3%</td>
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<tr>
<td>Gross profit</td>
<td>7.6</td>
<td>3.8</td>
<td>+ 102.1%</td>
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<tr>
<td>Gross margin</td>
<td>29.8 %</td>
<td>34.6 %</td>
<td>- 4.8 ppts</td>
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<td>Operating expenses</td>
<td>(12.1)</td>
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<td>+ 47.8%</td>
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<td>Operating loss</td>
<td>(4.4)</td>
<td>(4.4)</td>
<td>n.s.</td>
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</table>

- Segment environment
  - Increasing number of e-government initiatives (e-passport, ID cards, healthcare, car registration)

- Q1 06
  - Triple digit revenue increase driven by Setec contribution and 26 % organic growth
  - Revenue increase driven by Government ID projects (e-passports & healthcare) as well as Corporate Security projects (mainly USA)
  - Gross margin influenced by product mix and purchase accounting
Agenda

• Overview
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▶ • FY 2006 Outlook
Outlook

• The Group continues to see strong momentum in its core segments and will maintain its focus on cost efficiency.

• Gemplus confirms that it is well on its way to realize its mid-term objective to achieve 10% operating margin in 2007.

• The Group remains confident in its ability to further strongly improve its operating income in 2006, taking into account the usual seasonality effect of stronger organic growth in the second half than in the first half.

• Gemplus also continues to expect the Financial Services and ID & Security segments to turn profitable in 2006.
Gemalto: Creation of a world class leader in digital security

• Dec. 7, 2005: Announcement of the proposed transaction

• Jan. 31, 2006: Axalto extraordinary shareholders meeting approved the merger

• Feb. 28, 2006: Gemplus shareholders meeting approved matters related to the Gemalto transaction

• Transaction cleared by US antitrust Authorities

• European antitrust approval pending

• Following antitrust approvals, launch of the public exchange offer
## Cash Flow Statement

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<td>7.1</td>
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<td>3.5</td>
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<td>9.8</td>
<td>8.6</td>
<td>14.8</td>
<td>-22.5</td>
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<td>Net cash flow from operating activities excluding non-recurring items</td>
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<td>11.0</td>
<td>14.7</td>
<td>19.5</td>
<td>15.6</td>
<td>27.1</td>
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<td>-5.6</td>
<td>-7.6</td>
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<td>-4.5</td>
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<td>0.4</td>
<td>3.1</td>
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<td>-2.8</td>
<td>-0.6</td>
<td>0.9</td>
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<td>5.7</td>
<td>12.2</td>
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<td>6.1</td>
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<td>-21.6</td>
<td>27.3</td>
<td>17.5</td>
<td>29.9</td>
<td>-8.4</td>
</tr>
</tbody>
</table>

### Cash at the beginning of the period

- Q1 2006: 390.7
- Q2 2006: 384.6
- Q3 2006: 383.1
- Q4 2006: 389.2
- FY 2006: 388.4
- Q1 2007: 395.1
- Q2 2007: 373.5
- Q3 2007: 400.8
- Q4 2007: 388.4
- FY 2007: 418.4

### Cash at the end of the period

- Q1 2006: 384.6
- Q2 2006: 383.1
- Q3 2006: 389.2
- Q4 2006: 388.4
- FY 2006: 395.1
- Q1 2007: 373.5
- Q2 2007: 400.8
- Q3 2007: 418.4
- Q4 2007: 418.4
- FY 2007: 409.9