



## AXALTO HOLDING N.V.

Limited liability company (*naamloze vennootschap*) under Dutch law, with corporate seat in Amsterdam, The Netherlands and address at Koningsgracht Gebouw 1, Joop Geesinkweg 541-542, Amstel Business Park, Amsterdam, The Netherlands

### **Final terms and conditions of a share capital increase by Axalto Holding N.V. of 83,027 shares, reserved to employees of the Axalto Holding N.V. group subscribing or not to the Group's savings plan**

<b>Issuer:</b>	Axalto Holding N.V. (“ <b>Axalto</b> ” or the “ <b>Company</b> ”), a company incorporated under Dutch Law whose shares are listed on the Foreign Compartment of the Eurolist of Euronext Paris.
<b>Number of shares offered:</b>	A maximum of 535,000 ordinary shares of par value of 1 euro each (the “ <b>New Shares</b> ”) were offered under the capital increase.
<b>Number of New Shares to be issued:</b>	83,027 New Shares.
<b>Date of listing and trading of the New Shares:</b>	The New Shares will be listed on the Eurolist of Euronext Paris as soon as possible after the capital increase, on the same line as the existing shares.
<b>Subscription price:</b>	The subscription price per New Share is equal to 20.98 euros, that is 85% of the lowest of (i) the closing share price of the Axalto share on the Eurolist of Euronext Paris the first day of the subscription period (June 20, 2005) ( <i>i.e.</i> , 20.98 euros) and (ii) the closing share price of the Axalto share on the Eurolist of Euronext Paris the last day of the subscription period (July 1, 2005) ( <i>i.e.</i> , 21.46 euros).
<b>Net result of the capital increase:</b>	1,741,906.46 euros, that is the number of New Shares to be issued (83,027 New Shares) times the subscription price per New Share (20.98 euros).
<b>Dividend rights date:</b>	The New Shares will offer dividend rights as of January 1, 2005.
<b>Subscription period:</b>	The subscription period of the New Shares opened on June 20, 2005 and ended on July 1, 2005.
<b>Subscription modalities:</b>	Subscription to the New Shares was opened to and reserved to employees, either directly or through the French <i>FCPE Axalto Actions Relais</i> .
<b>Date of the capital increase:</b>	The capital increase took place on July 26, 2005.
<b>Shareholding:</b>	The New Shares will be held in two ways: (i) as registered shares (the shareholders are included in the Company's shareholders register), or (ii) in an account with an account holder or intermediary through Euroclear France S.A.

**Lock-up period:** French employees have to hold their New Shares in the *FCPE Axalto Actions Relais* for at least five years, unless an anticipatory unlock event takes place as provided by French law and the Group's saving plan.

Non-French employees have to hold their New Shares for one year as from the settlement date (*i.e.*, until July 29, 2006), as mentioned in the subscription forms and information documents provided to such employees.

**Share price:** Extreme closing share price from January 1, 2005 to June 16, 2005: 18.87 euros and 26.14 euros.

The prospectus of this offering includes:

- a *document de référence* related to the period that ended on December 31, 2004 registered by the French *Autorité des marchés financiers* on May 13, 2005 under number R. 05-056; and
- a *note d'opération* registered by the French *Autorité des marchés financiers* on May 17, 2005 under number 05-567.

Copies of the French version of the prospectus are available free of charge from Axalto International S.A.S., the French subsidiary of Axalto Holding N.V., 50 avenue Jean Jaurès - 92120 Montrouge, France, as well as on Axalto's website (<http://www.axalto.com>) and on the website of the French *Autorité des marchés financiers* (<http://www.amf-france.org>).

The legal announcement was published in the French *Bulletin des Annonces Légales Obligatoires* dated June 22, 2005.