



Axalto takes the lead in China to provide more secure payment experience

Axalto Palmera achieves the first EMV certification in China

Beijing, China, August 29, 2005 – Axalto (Euronext NL0000400653 AXL), the world's leading provider of microprocessor cards, today announced that its Palmera product has achieved the first EMV certification issued in China. Based on the debit/ credit specification by People's Bank of China (PBOC), this certification is awarded by the China Banking Card Test Center. It is also fully compliant to the international EMV2000 standard.

With this certification, Axalto Palmera has also become the world's first product that supports Visa, MasterCard, JCB and the latest China EMV applications all on a single card. Among which, China UnionPay, MasterCard and Visa applications are the most used by China banking cards currently. As such, Axalto Palmera is well positioned to be the ideal choice for China EMV migration, and in turn propel the growth of multi-applications offerings.

"While EMV migration brings more secured payment transaction to the users, it also creates opportunities for banks to further differentiate itself from competitors by offering personalized and more sophisticated multi-application services to their customers." said Zhimin Zhang, manager of the banking card department of People's Bank of China. "As banks in China roll out EMV migration plans under the guidance of PBOC, it poses great opportunities for both the domestic and international banking cards industry."

"By supporting a wide range innovative applications, Axalto Palmera will enable China banks to empower consumers with value-added services, and open a new world of exciting business opportunities." See Weng Chan, Vice President of Axalto China says, "As the world leader in financial smart cards, Axalto looks forward to share its global experiences with China banks, to jointly bring to Chinese users a more secure and enjoyable smartcard payment experience in the near future. "

Note to Editors

EMV is a set of global specifications jointly promoted by Europay, MasterCard, Visa and JCB for cards, terminals, and applications. Designed to facilitate correct operation and interoperability on smart card transactions for debit and credit, many countries have observed an increased adoption of EMV chip cards.

Deployed in hundreds of projects worldwide, Axalto Palmera is the ideal EMV choice to support a great variety of applications, including loyalty programs, local ATM schemes, and on-line banking services. Coupled with its post-issuance flexibility for application updates, guaranteed confidentiality and dynamic transaction authentication, Palmera empowers banks in China to bring major benefits their customers.

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About Axalto

Axalto (Euronext: NL0000400653 AXL) is the world's leading provider of microprocessor cards (Gartner 2005, Frost & Sullivan 2004) - the key to digital networks - and a major supplier of point-of-sale terminals. Its 4500 employees come from over 60 nationalities and serve customers in more than 100 countries, with worldwide sales exceeding 3 billion smart cards to date. The company has 25 years' experience in smart card innovation and leads its industry in security technology and open systems. Axalto continuously creates new generations of products for use in a variety of applications in the telecommunications, finance, retail, transport, entertainment, healthcare, personal identification, information technology and public sector markets. Microprocessor cards provide convenience, security and privacy to public and private services operators, their customers and end users.

For more info, please visit www.axalto.com

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