



Axalto and STMicroelectronics Win Cartes 2005 Sesames Award with USB Full Speed Solution

Innovation opens up a realm of new multimedia applications on PCs and mobile phones

Cartes tradeshow, Villepinte, France, November 15, 2005 – Axalto (Euronext NL0000400653 AXL) and STMicroelectronics (NYSE: STM), together won the “*Best IT Security Application of the Year*” award at the smart card industry’s Cartes 2005 exhibition, demonstrating their leadership in smart card and chip technology innovation. By transferring large amounts of data at up to 12 Mbits/s, the USB (Universal Serial Bus) full speed solution enables end users to access a wide range of pioneering multimedia applications while benefiting from enhanced security and protection of their personal credentials.

This innovation opens up new uses for smart cards in consumer electronics, such as SIM-based conditional access and digital rights management for ADSL or mobile pay-TV, digital signature, and home-networked applications. Axalto and STMicroelectronics also successfully demonstrated full-speed audio and video streaming encryption and decryption developed within the framework of the European IST-FP5 Full-Speed project.

“This award celebrates our dedication to designing and bringing to market highly innovative products,” commented Jean-Claude Deturche, president marketing at Axalto. “This technology, developed in close partnership with STMicroelectronics, is another Axalto breakthrough that will secure and simplify consumers’ access to multimedia services. For companies providing high-value content, this revolutionary technology opens up unprecedented opportunities in terms of rights protection in a very simple and cost effective way. “

“We are delighted that the Sesames Jury endorses our innovative USB Full Speed Technology for smart cards,” said Alain Jarre, director consumer & IT business unit, STMicroelectronics. “ST developed the USB 2.0 Full Speed I/O Controller with on-chip clock recovery on its 32-bit RISC ST22 SmartJ™ Platform for smart cards with 64k of EEPROM. Due to our close cooperation with Axalto inside the European Project IST-FP5 Full-Speed and its expertise in developing advanced software platforms for smart cards with high-connectivity communication protocols, ST has been able to demonstrate all the product’s innovative features in real Internet- and IT-security applications.”

The USB full speed solution has been designed for applications requiring increased embedded computing power and communication bandwidth while maintaining a very high level of security. This powerful platform turns smart cards into fully-fledged secure computers and provides a portable solution for logical access to open networks. The USB full speed solution comes in different form factors: credit card or SIM card format with low-cost reader, or standalone USB dongle.

The Sesames awards are a key part of the annual smart card industry event. They celebrate the unique contribution and investment of leading industry actors like Axalto and STMicroelectronics in developing next generation products and solutions for the digital age.

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 65 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

About STMicroelectronics

STMicroelectronics is a global leader in developing and delivering semiconductor solutions across the spectrum of microelectronics applications. An unrivalled combination of silicon and system expertise, manufacturing strength, Intellectual Property (IP) portfolio and strategic partners positions the Company at the forefront of System-on-Chip (SoC) technology and its products play a key role in enabling today's convergence markets. The Company's shares are traded on the New York Stock Exchange, on Euronext Paris and on the Milan Stock Exchange. In 2004, the Company's net revenues were \$8.76 billion and net earnings were \$601 million. Further information on ST can be found at www.st.com.

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